

**State of Nebraska State Purchasing
REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES**

RETURN TO:
State Purchasing Bureau
1526 K Street, Suite 130
Lincoln, NE 68508
Phone: (402) 471-6500

SOLICITATION NUMBER	RELEASE DATE
RFP ##### Z1	(Month, date, year)
OPENING DATE AND TIME	PROCUREMENT CONTACT
(Month, date, year) 2:00 p.m. Central Time	Jennifer Eloge/Teresa Fleming

PLEASE READ CAREFULLY!

The State of Nebraska is not requesting proposals at this time, and interested parties shall not submit Technical or Cost proposals in response to the draft RFP. The State of Nebraska will not evaluate any Technical or Cost proposals received in response to the draft RFP. Interested bidders are to provide comments and feedback to the State regarding specific questions they have about the draft RFP or about items that require further clarification. Please note that we are not releasing any detailed census data in this draft RFP. The detailed census data file will be provided as part of the Final RFP. The State is providing census data fields in Attachment A Census and Claims File Elements. For additional information about this process and for the solicitation contact, please see the letter issued by the State of Nebraska Purchasing Bureau on 08/23/2018. As noted in the letter from the State of Nebraska Purchasing Bureau, this is a Draft solicitation. This Draft RFP is being issued for informational purposes to assist the State of Nebraska in developing a Final RFP for this procurement.

The State of Nebraska (State), Department of Administrative Services (DAS), Materiel Division, State Purchasing Bureau (SPB), is issuing this Request for Proposal (RFP) Number (#####)Z1 to provide Administrative and Support Services for the State of Nebraska Employee Health Care Benefit Plans. Additional details can be found in Section V. The resulting contract may not be an exclusive contract as the State reserves the right to contract for the same or similar services from other sources now or in the future.

The term of the contract will be three (3) years commencing upon execution of the contract. The Contract includes the option to renew for four (4) additional one (1) year periods upon mutual agreement of the Parties. The State reserves the right to extend the period of this contract beyond the termination date when mutually agreeable to the Parties.

ALL INFORMATION PERTINENT TO THIS REQUEST FOR PROPOSAL CAN BE FOUND ON THE INTERNET AT:
<http://das.nebraska.gov/materiel/purchasing.html>.

IMPORTANT NOTICE: Pursuant to Neb. Rev. Stat. § 84-602.04, State contracts in effect as of January 1, 2014, and contracts entered into thereafter, must be posted to a public website. The resulting contract, the RFP, and the successful bidder's proposal or response will be posted to a public website managed by DAS, which can be found at <http://statecontracts.nebraska.gov>.

In addition and in furtherance of the State's public records Statute (Neb. Rev. Stat. § 84-712 et seq.), all proposals or responses received regarding this RFP will be posted to the State Purchasing Bureau public website.

These postings will include the entire proposal or response. Bidders must request that proprietary information be excluded from the posting. The bidder must identify the proprietary information, mark the proprietary information according to state law, and submit the proprietary information in a separate container or envelope marked conspicuously in black ink with the words "PROPRIETARY INFORMATION". The bidder must submit a detailed written document showing that the release of the proprietary information would give a business advantage to named business competitor(s) and explain how the named business competitor(s) will gain an actual business advantage by disclosure of information. The mere assertion that information is proprietary or that a speculative business advantage might be gained is not sufficient. (See Attorney General Opinion No. 92068, April 27, 1992) THE BIDDER MAY NOT ASSERT THAT THE ENTIRE PROPOSAL IS PROPRIETARY. COST PROPOSALS WILL NOT BE CONSIDERED PROPRIETARY AND ARE A PUBLIC RECORD IN THE STATE OF NEBRASKA. The State will then determine, in its discretion, if the interests served by nondisclosure outweighs any public purpose served by disclosure. (See Neb. Rev. Stat. § 84-712.05(3)) The Bidder will be notified of the agency's decision. Absent a State determination that information is proprietary, the State will consider all information a public record subject to release regardless of any assertion that the information is proprietary.

If the agency determines it is required to release proprietary information, the bidder will be informed. It will be the bidder's responsibility to defend the bidder's asserted interest in non-disclosure.

To facilitate such public postings, with the exception of proprietary information, the State of Nebraska reserves a royalty-free, nonexclusive, and irrevocable right to copy, reproduce, publish, post to a website, or otherwise use any contract, proposal, or response to this RFP for any purpose, and to authorize others to use the documents. Any individual or entity awarded a contract, or who submits a proposal or response to this RFP, specifically waives any copyright or other protection the contract, proposal, or response to the RFP may have; and, acknowledges that they have the ability and authority to enter into such waiver. This reservation and waiver is a prerequisite for submitting a proposal or response to this RFP, and award of a contract. Failure to agree to the reservation and waiver will result in the proposal or response to the RFP being found non-responsive and rejected.

Any entity awarded a contract or submitting a proposal or response to the RFP agrees not to sue, file a claim, or make a demand of any kind, and will indemnify and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses, sustained or asserted against the State, arising out of, resulting from, or attributable to the posting of the contract or the proposals and responses to the RFP, awards, and other documents.

DRAFT

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GLOSSARY OF TERMS

Acceptance Test Procedure: Benchmarks and other performance criteria, developed by the State of Nebraska or other sources of testing standards, for measuring the effectiveness of products or services and the means used for testing such performance.

Accreditation: The process by which an organization recognizes a provider, a program of study or an institution as meeting predetermined standards. Two organizations that accredit managed care plans are the National Committee for Quality Assurance (NCQA) and the Joint Commission on Accreditation of Health Care Organizations (JCAHO). JCAHO also accredits hospitals and clinics.

Addendum: Something to be added or deleted to an existing document; a supplement.

After Receipt of Order (ARO): After Receipt of Order

Agency: Any state agency, board, or commission other than the University of Nebraska, the Nebraska State colleges, the courts, the Legislature, or any other office or agency established by the Constitution of Nebraska.

Agent/Representative: A person authorized to act on behalf of another.

Amend: To alter or change by adding, subtracting, or substituting.

Amendment: A written correction or alteration to a document.

Annual Open Enrollment Period: A period during which members can elect to change from plan to plan without providing evidence of insurability.

Appropriation: Legislative authorization to expend public funds for a specific purpose. Money set apart for a specific use.

Average Wholesale Price (AWP): The price determined by a nationally recognized source that is utilized by pharmacies to determine the drug discount at the point of service in accordance with the contract with a particular Pharmacy Benefit Manager (PBM). AWP will be based on date sensitive (i.e., point of sale), 11-digit NDC as supplied by a nationally recognized pricing source (e.g., MediSpan) for retail, mail order, and specialty adjudicated claims

Award: All purchases, leases, or contracts that are based on competitive proposals will be awarded according to the provisions in the RFP. The State reserves the right to reject any or all proposals, wholly or in part, or to award to multiple bidders in whole or in part. The State reserves the right to waive any deviations or errors that are not material, do not invalidate the legitimacy of the proposal, and do not improve the bidder's competitive position. All awards will be made in a manner deemed in the best interest of the State.

Best and Final Offer (BAFO): In a competitive bid, the final offer submitted which contains the bidder's most favorable terms for price.

Bid/Proposal: The offer submitted by a vendor in a response to a written solicitation.

Bid Bond: An insurance agreement, accompanied by a monetary commitment, by which a third party (the surety) accepts liability and guarantees that the vendor will not withdraw the bid.

Bidder: A vendor who submits an offer bid in response to a written solicitation.

Business: Any corporation, partnership, individual, sole proprietorship, joint-stock company, joint venture, or any other private legal entity.

Business Day: Any weekday, except State-recognized holidays.

Calendar Day: Every day shown on the calendar including Saturdays, Sundays, and State/Federal holidays.

Cancellation: To call off or revoke a purchase order without expectation of conducting or performing it at a later time.

Central Processing Unit (CPU): Any computer or computer system that is used by the State to store, process, or retrieve data or perform other functions using Operating Systems and applications software.

Certificate of Coverage: A document given to a member that describes the benefits, limitations and exclusions of coverage.

Change Order: Document that provides amendments to an executed purchase order or contract.

Cleared claims: The Contractor has made the ACH payment for claims that were incurred by the State's members, and the ACH has been completed and processed through the dedicated bank account.

Collusion: An agreement or cooperation between two or more persons or entities to accomplish a fraudulent, deceitful, or unlawful purpose.

Commodities: Any equipment, material, supply or goods; anything movable or tangible that is provided or sold.

Commodities Description: Detailed descriptions of the items to be purchased; may include information necessary to obtain the desired quality, type, color, size, shape, or special characteristics necessary to perform the work intended to produce the desired results.

Competition: The effort or action of two or more commercial interests to obtain the same business from third parties.

Confidential Information: Unless otherwise defined below, "Confidential Information" shall also mean proprietary trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose (see Neb. Rev. Stat. §84-712.05(3)). In accordance with Nebraska Attorney General Opinions 92068 and 97033, proof that information is proprietary requires identification of specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would receive.

Contract: An agreement between two or more parties creating obligations that are enforceable or otherwise recognizable at law; the writing that sets forth such an agreement.

Contract Administration: The management of the contract which includes and is not limited to; contract signing, contract amendments and any necessary legal actions.

Contract Award: Occurs upon execution of the State document titled "Service Contract Award" by the proper authority.

Contract Management: The management of day-to-day activities at the agency that includes and is not limited to ensuring deliverables are received, specifications are met, handling meetings and making payments to the Contractor.

Contract Period: The duration of the contract.

Contractor: Any individual or entity having a contract to furnish commodities or services.

Cooperative Purchasing: The combining of requirements of two or more political entities to obtain advantages of volume purchases, reduction in administrative expenses or other public benefits.

Copyright: A property right in an original work of authorship fixed in any tangible medium of expression, giving the holder the exclusive right to reproduce, adapt and distribute the work.

Coordination of Benefits (COB): A provision in the contract that applies when a person is covered under more than one medical plan. It requires that payment of benefits be coordinated by all plans to eliminate over insurance or duplication of benefits.

Critical Program Error: Any Program Error, whether or not known to the State, which prohibits or significantly impairs use of the Licensed Software as set forth in the documentation and intended in the contract.

Customer Service: The process of ensuring customer satisfaction by providing assistance and advice on those products or services provided by the Contractor.

Default: The omission or failure to perform a contractual duty.

Dedicated: Contractor's staff members who are solely assigned to perform Services in furtherance of this Contract, which means the Contractor does not assign them to work for any other client or customer.

Designated: Contractor's staff members who are assigned to perform Services in furtherance of this Contract, but may also be assigned by Contractor to work for other clients or customers.

Deviation: Any proposed change(s) or alteration(s) to either the terms and conditions or deliverables within the scope of the written solicitation or contract.

Direct Primary Care Health Plan: A health plan, which includes primary care services provided by a participating provider and health care coverage for medical specialists, hospitals, pharmacy and other medical coverage the Department, deems appropriate.

Discount Off Allowed: The difference between the amount allowed under the plan and the amount paid, either by the plan itself or the member. The amount allowed under the plan is the net amount after excluding amounts for duplicate charges, coordination of benefits, etc. that are not allowable charges under the plan.

Evaluation: The process of examining an offer after opening to determine the vendor's responsibility, responsiveness to requirements, and to ascertain other characteristics of the offer that relate to determination of the successful award.

Evaluation Committee: Committee(s) appointed by the requesting agency that advises and assists the procuring office in the evaluation of bids/proposals (offers made in response to written solicitations).

Explanation of Benefits (EOB): A detailed statement sent to an insured that shows each treatment or medication submitted as part of a health insurance claim, an insurer's decision concerning payment of each charge, any amount that is considered as a deductible or a co-payment, an explanation of any charge for which part or all of the charge will not be paid, and the total amount sent to a health care provider.

Extension: Continuance of a contract for a specified duration upon the agreement of the parties beyond the original Contract Period. Not to be confused with "Renewal Period".

Free on Board (F.O.B.) Destination: The delivery charges are included in the quoted price and prepaid by the vendor. Vendor is responsible for all claims associated with damages during delivery of product.

Free on Board (F.O.B.) Point of Origin: The delivery charges are not included in the quoted price and are the responsibility of the agency. Agency is responsible for all claims associated with damages during delivery of product.

Foreign Corporation: A foreign corporation that was organized and chartered under the laws of another state, government, or country.

Generic Code Number (GCN): A five-character numeric figure that represents the clinical formulation; it is specific to active ingredient list, route of administration, dosage form, and drug strength

Healthcare Effectiveness Data and Information Set (HEDIS): A set of standard performance measures that can give you information about the quality of a health plan. You can find out about the quality of care, access, cost, and other measures to compare managed care plans.

HIPAA: A federal law passed in 1996 that allows persons to qualify immediately for comparable health insurance coverage when they change their employment or relationships. It also creates the authority to mandate the use of standards for the electronic exchange of health care data; to specify what medical and administrative code sets should be used within those standards; to require the use of national identification systems for health care patients, providers, payers (or plans), and employers (or sponsors); and to specify the types of measures required to protect the security and privacy of personally identifiable health care. Full name is "The Health Insurance Portability and Accountability Act of 1996."

In-Network: Providers or health care facilities that are part of a health plan's network of providers with which it has negotiated a discount. Insured individuals usually pay less when using an in-network provider, because those networks provide services at lower cost to the insurance companies with which they have contracts.

Installation Date: The date when the procedures described in "Installation by Contractor", and "Installation by State", as found in the RFP, or contract, are completed.

Interested Party: A person, acting in their personal capacity, or an entity entering into a contract or other agreement creating a legal interest therein.

Late Bid/Proposal: An offer received after the Opening Date and Time.

Licensed Software Documentation: The user manuals and any other materials in any form or medium customarily provided by the Contractor to the users of the Licensed Software which will provide the State with sufficient information to operate, diagnose, and maintain the Licensed Software properly, safely, and efficiently.

Mandatory/Must: Required, compulsory, or obligatory.

Maximum Allowable Cost (MAC): A predetermined amount assigned by the Pharmacy Benefit Manager (PBM) for each generic drug category.

May: Discretionary, permitted; used to express possibility.

Member: All eligible employees and their eligible dependents enrolled under the State's prescription benefit program.

Member Copay: Members will pay the **lowest** of the following: plan copay, plan-negotiated discounted price plus dispensing fee, usual and customary (U&C), MAC (maximum allowable cost) or retail cash price. Excess copayment retention is not permitted.

Module (see System): A collection of routines and data structures that perform a specific function of software.

Must: See Mandatory/ Must and Shall/Will/Must.

National Institute for Governmental Purchasing (NIGP): National Institute of Governmental Purchasing – Source used for assignment of universal commodity codes to goods and services.

Network: A group of doctors, hospitals and other health care providers contracted to provide services to insurance company's customers for less than their usual fees. Provider networks can cover a large geographic market or a wide range of health care services. Insured individuals typically pay less for using a provider network.

Network Manager: Responsible for monitoring and assisting in resolving provider contract disputes and monitors and reports to the State on network access. Monitors State utilization and is proactive in expanding networks as needed to adjust to changes in member demand, access needs and/or gaps in care. Monitors provider coding and claims submission patterns for potential waste, fraud and abuse. Facilitates the expansion and increased awareness of tiered networks and centers-of-excellence. Three (3) years of experience as a Network Manager and experience with groups 15,000 and larger are also required.

Open Market Purchase: Authorization may be given to an agency to purchase items above direct purchase authority due to the unique nature, price, quantity, location of the using agency, or time limitations by the AS Materiel Division, State Purchasing Bureau.

Opening Date and Time: Specified date and time for the public opening of received, labeled, and sealed formal proposals.

Operating System: The control program in a computer that provides the interface to the computer hardware and peripheral devices, and the usage and allocation of memory resources, processor resources, input/output resources, and security resources.

Operations Director: Responsible for all claims operations and reporting, including overseeing the file transfer process of eligibility data, interfaces between vendors, reporting, and data sharing. Monitors provider coding and claims submission patterns for potential waste, fraud and abuse. Three (3) years of experience as an Operations Director and experience with groups 15,000 and larger are also required

Out-of-Plan Out-of-Network: This phrase usually refers to physicians, hospitals or other health care providers who are considered nonparticipants in an insurance plan (usually a PPO). Depending on an individual's health insurance plan, expenses incurred by services provided by out-of-plan health professionals may not be covered, or covered only in part by an individual's insurance.

Outsourcing: The contracting out of a business process that an organization may have previously performed internally or has a new need for, to an independent organization from which the process is purchased back.

Paid Claims: Defined as all transactions made on eligible members that result in a payment to pharmacies or members from the State or State member copays. (Does **not** include reversals and adjustments.) Each unique prescription that results in

payment shall be calculated separately as a paid claim.

Participating Provider: A direct provider who is participating in the pilot program.

Payroll & Financial Center (PFC): Electronic procurement system of record.

Per Employee Per Month (PEPM): This refers to the unit of measure for the fees, costs or other representation of information or analysis of data. This is based on employees only and does not include spouse and/or dependents, if they are covered under the plan.

Performance Bond: An insurance agreement, accompanied by a monetary commitment, by which a third party (the surety) accepts liability and guarantees that the Contractor fulfills any and all obligations under the contract.

Per Member Per Month (PMPM): This refers to the unit of measure for the fees, costs or other representation of information or analysis of data. This is based on members and does include spouse and/or dependents, covered under the plan.

Performance Guarantees: Commitment of a level of performance that must be delivered and continue to be delivered up to or above certain guarantee target.

Pilot Program: The Direct Primary Care Pilot Program established under the Direct Primary Care Pilot Program Act.

Platform: A specific hardware and Operating System combination that is different from other hardware and Operating System combinations to the extent that a different version of the Licensed Software product is required to execute properly in the environment established by such hardware and Operating System combination.

Point of Contact (POC): The person designated to receive communications and to communicate.

Point of Service (POS): The primary care doctors in a POS plan usually make referrals to other providers in the plan. However, in a POS plan, members can refer themselves outside the plan and still get some coverage. If the doctor makes a referral outside the network and the service is covered by the plan, you will have to pay coinsurance.

Pre-Bid/Pre-Proposal Conference: A meeting scheduled for the purpose of clarifying a written solicitation and related expectations.

Preferred Provider Organization (PPO): A PPO is a form of managed care that has contracts with doctors, hospitals, and other providers of care who offer medical services to enrollees on a fee-for-service basis. As a result, members may use any provider within or outside of the PPO network, but have a financial incentive to stay within the network.

Product: Something that is distributed commercially for use or consumption and that is usually (1) tangible personal property, (2) the result of fabrication or processing, and (3) an item that has passed through a chain of commercial distribution before ultimate use or consumption.

Program Error: Code in Licensed Software which produces unintended results or actions, or which produces results or actions other than those described in the specifications. A program error includes, without limitation, any Critical Program Error.

Program Set: The group of programs and products, including the Licensed Software specified in the RFP and any additional programs and products licensed by the State under the contract for use by the State.

Project: The total scheme, program, or method worked out for the accomplishment of an objective, including all documentation, commodities, and services to be provided under the contract.

Proposal: See Bid/Proposal.

Proprietary Information: Proprietary information is defined as trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serves no public purpose (see Neb. Rev. Stat. § 84-712.05(3)). In accordance with Attorney General Opinions 92068 and 97033, proof that information is proprietary requires identification of specific named competitor(s) advantaged by release of the information and the demonstrated advantage the named competitor(s) would gain by the release of information.

Protest/Grievance: A complaint about a governmental action or decision related to a RFP or resultant contract, brought by a vendor who has timely submitted a bid response in connection with the award in question, to AS Materiel Division or another designated agency with the intention of achieving a remedial result.

Public Proposal Opening: The process of opening correctly submitted offers at the time and place specified in the written solicitation and in the presence of anyone who wished to attend.

Quality Assurance: An organized program to protect or improve quality of care by evaluating medical care, correcting problems and monitoring corrective actions.

Rebates: Compensation or remuneration of any kind received or recovered from a pharmaceutical manufacturer attributable to the purchase or utilization of covered drugs by eligible persons, including, but not limited to, incentive rebates categorized as mail order purchase discounts; credits; rebates, regardless of how categorized; market share incentives; promotional allowances; commissions; educational grants; market share of utilization; drug pull-through programs; implementation allowances; clinical detailing; rebate submission fees; and administrative or management fees. Rebates also include any fees that Contractor receives from a pharmaceutical manufacturer for administrative costs, formulary placement, and/or access

Recommended Hardware Configuration: The data processing hardware (including all terminals, auxiliary storage, communication, and other peripheral devices) to the extent utilized by the State as recommended by the Contractor.

Release Date: The date of public release of the written solicitation to seek offers.

Renewal Period: Optional contract periods subsequent to the original Contract Period for a specified duration with previously agreed to terms and conditions. Not to be confused with Extension.

Request for Information (RFI): A general invitation to vendors requesting information for a potential future solicitation. The RFI is typically used as a research and information gathering tool for preparation of a solicitation.

Request for Proposal (RFP): A written solicitation utilized for obtaining competitive offers.

Responsible Bidder: A bidder who has the capability in all respects to perform fully and lawfully all requirements with integrity and reliability to assure good faith performance.

Responsive Bidder: A bidder who has submitted a bid which conforms to all requirements of the solicitation document.

Rural: Are areas that are not urbanized and are described country towns and smaller cities. They have a low population density, and typically much of the land is devoted to agriculture.

Self-Insure: A group insurance plan in which the group sponsor, not an insurance company, is financially responsible for paying the claims of the group insured's.

Self Insured Group Plan: A group insurance plan in which the group sponsor, not an insurance company, is financially responsible for paying the claims of the group insureds. A group may be partially or fully self-insured.

Shall/Will/Must: An order/command; mandatory.

Should: Expected; suggested, but not necessarily mandatory.

Software License: Legal instrument with or without printed material that governs the use or redistribution of licensed software.

Sole Source – Commodity: When an item is available from only one source due to the unique nature of the requirement, its supplier, or market conditions.

Sole Source – Services: A service of such a unique nature that the vendor selected is clearly and justifiably the only practical source to provide the service. Determination that the vendor selected is justifiably the sole source is based on either the uniqueness of the service or sole availability at the location required.

Specifications: The detailed statement, especially of the measurements, quality, materials, and functional characteristics, or other items to be provided under a contract.

Specialist: A doctor or other health professional whose training and expertise are in a specific area of medicine, such as cardiology or dermatology.

Statutory: These clauses are controlled by state law and are not subject to negotiation.

Subcontractor: Individual or entity with whom the Contractor enters a contract to perform a portion of the work awarded to the Contractor.

Suburban: Refers to a residential area that is a separate community within commuting distance of a city.

System (see Module): Any collection or aggregation of two (2) or more Modules that is designed to function, or is represented by the Contractor as functioning or being capable of functioning, as an entity.

Termination: Occurs when either Party, pursuant to a power created by agreement or law, puts an end to the contract prior to the stated expiration date. All obligations which are still executory on both sides are discharged but any right based on prior breach or performance survives.

Third Party: Any person or entity, including but not limited to fiduciaries, shareholders, owners, officers, managers, employees, legally disinterested persons, and sub-Contractors or agents, and their employees. It shall not include any entity or person who is an interested Party to the contract or agreement.

Trade Secret: Information, including, but not limited to, a drawing, formula, pattern, compilation, program, device, method, technique, code, or process that (a) derives independent economic value, actual or potential, from not being known to, and not being ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (see Neb. Rev. Stat. §87-502(4)).

Trademark: A word, phrase, logo, or other graphic symbol used by a manufacturer or vendor to distinguish its product from those of others, registered with the U.S. Patent and Trademark Office.

Transparent: The services requested will be provided on a pass through basis to the State at the lowest cost available. This includes pricing to the retail pharmacies, mail order pharmacies and specialty pharmacies. In addition, all manufacturer revenue tied to the utilization for the State will be passed on to the State. Any and all costs are reported and available to the State in order to confirm pricing.

Upgrade: Any change that improves or alters the basic function of a product or service.

Urban: An urban area is a higher population density in comparison to areas surrounding it.

Utilization Review (UR): A formal review of utilization for appropriateness of health care services delivered to a member on a prospective, concurrent, or retrospective basis. In a hospital, this includes review of the appropriateness of admissions, services ordered and provided, length of stay, and discharge practices, both on a concurrent and retrospective basis. UR is a method of tracking, reviewing and rendering opinions regarding care provided to patients. Usually UR involves the use of protocols, benchmarks or data with which to compare specific cases to an aggregate set of cases. Those cases falling outside the protocols or range of data are reviewed individually. UR involves the review of patient records and patient bills primarily but may also include telephone conversations with providers.

Vendor: An individual or entity lawfully conducting business in the State of Nebraska, or licensed to do so, who seeks to provide goods or services under the terms of a written solicitation.

Vendor Performance Report: A report issued to the Contractor by State Purchasing Bureau when products or services delivered or performed fail to meet the terms of the purchase order, contract, and/or specifications, as reported to State Purchasing Bureau by the agency. The State Purchasing Bureau shall contact the Contractor regarding any such report. The vendor performance report will become a part of the permanent record for the Contractor. The State may require vendor to cure. Two such reports may be cause for immediate termination.

Will: See Shall/Will/Must.

Work Day: See Business Day.

ACRONYM LIST

ABA - American Bankers Association
ACA – Affordable Care Act
ACH – Automated Clearing House
ASO – Administrative Services Only
AWP - Average Wholesale Price
BAA – Business Associate Agreement
CM – Case Management
COB – Coordination of Benefits
COBRA – Consolidated Omnibus Budget Reconciliation Act of 1985
DEA – Drug Enforcement Administration
DM – Disease Management
DPC – Direct Primary Care
DUR – Drug Utilization Review
EDI – Electronic Data Interchange
EOB – Explanation of Benefits
FDA – Federal Drug Administration
GCN – Generic Code Number
HEDIS - Healthcare Effectiveness Data and Information Set
HIPAA - Health Insurance Portability and Accountability Act
HITECH – Health Information Technology for Economic and Clinical Health
ID – Identification
IIF - Interactive Informational Forum
JCAHO - Joint Commission on Accreditation of Health Care Organizations
MAC - Maximum Allowable Cost
NCQA - National Committee for Quality Assurance
NCPDP - National Council for Prescription Drug Programs
NDA – Non-Disclosure Agreement
NDC – National Drug Code
OE – Open Enrollment
OTC – Over-the-Counter
PA – Prior Authorization
PBM – Pharmacy Benefit Manager
PEPM - Per Employee Per Month

PHI – Personal Health Information
PMPM - Per Member Per Month
POS – Point of Service
PPACA - Patient Protection and Affordable Care Act
PPO - Preferred Provider Organization
ROI – Return on Investment
SFT – Secure File Transfer
SOC - System and Organization Controls
SPD - Summary Plan Documents
U&C - Usual and Customary
UM – Utilization Management
UR – Utilization Review

DRAFT

I. PROCUREMENT PROCEDURE

A. GENERAL INFORMATION

The RFP is designed to solicit proposals from qualified Bidders for a service provider that can partner with the Wellness and Benefits to provide a health benefits delivery system to its employees, effective July 1, 2020. Annual Open Enrollment for the State of Nebraska occurs in the month of May. Service provider will include a Contractor for an integrated medical, prescription drug and direct primary care plan.

Proposals shall conform to all instructions, conditions, and requirements included in the RFP. Bidders should carefully examine all documents, schedules, and requirements in this RFP, and respond to each requirement in the format prescribed. Proposals may be found non-responsive if they do not conform to the RFP.

B. PROCURING OFFICE AND COMMUNICATION WITH STATE STAFF AND EVALUATORS

Procurement responsibilities related to this Draft RFP reside with the State Purchasing Bureau. The point of contact (POC) for the Draft RFP is as follows:

Name: Jennifer Eloge/Teresa Fleming
Agency: State Purchasing Bureau
Address: 1526 K Street, Suite 130
Lincoln, NE 68508
Telephone: 402-471-6500

E-Mail: as.materielpurchasing@nebraska.gov

From the date the RFP is issued until the Intent to Award is issued, communication from the Bidder is limited to the POC listed above. After the Intent to Award is issued, the Bidder may communicate with individuals the State has designated as responsible for negotiating the contract on behalf of the State. No member of the State Government, employee of the State, or member of the Evaluation Committee is empowered to make binding statements regarding this RFP. The POC will issue any clarifications or opinions regarding this RFP in writing. Only the buyer can modify the RFP, answer questions, render opinions, and only the SPB or awarding agency can award a contract. Bidders shall not have any communication with, or attempt to communicate or influence any evaluator involved in this RFP.

The following exceptions to these restrictions are permitted:

1. Contact made pursuant to pre-existing contracts or obligations;
2. Contact required by the schedule of events or an event scheduled later by the RFP POC; and
3. Contact required for negotiation and execution of the final contract.

The State reserves the right to reject a bidder's proposal, withdraw an Intent to Award, or terminate a contract if the State determines there has been a violation of these procurement procedures.

C. SCHEDULE OF EVENTS

The State expects to adhere to the procurement schedule shown below, but all dates are approximate and subject to change.

ACTIVITY	DATE/TIME
Release RFP	
Last day to submit "Notification of Intent to Attend Pre-Proposal Conference"	
Last day to submit written questions	
Mandatory Pre-Proposal Conference Location: State Purchasing Bureau 1526 K Street, Suite 130 Lincoln, NE 68508 * Registration Advisement: Bids will only be accepted from those Companies/Firms that properly register their attendance at this meeting by completing all of the required information on the State Registration Sheet.	
Last day to submit written questions after Pre-Proposal Conference	
State responds to written questions through RFP "Addendum" and/or "Amendment" to be posted to the Internet at: http://das.nebraska.gov/materiel/purchasing.html	
Last day to submit "Notification of Intent To Bid"	
Proposal opening Location: State Purchasing Bureau 1526 K Street, Suite 130 Lincoln, NE 68508	2:00 PM Central Time
Review for conformance to RFP requirements	
Evaluation period	
"Oral Interviews/Presentations and/or Demonstrations" (if required)	
Post "Intent to Award" to Internet at: http://das.nebraska.gov/materiel/purchasing.html	
Contract finalization period	
Contract award	
Contractor start date	

D. WRITTEN QUESTIONS AND ANSWERS

Questions regarding the meaning or interpretation of any RFP provision must be submitted in writing to the State Purchasing Bureau and clearly marked "RFP Number (#####) Z1; (service to be provided) Questions". The POC is not obligated to respond to questions that are received late per the Schedule of Events.

Bidders should present, as questions, any assumptions upon which the Bidder's proposal is or might be developed. Proposals will be evaluated without consideration of any known or unknown assumptions of a bidder. The contract will not incorporate any known or unknown assumptions of a bidder.

It is preferred that questions be sent via e-mail to as.materielpurchasing@nebraska.gov, but may be delivered by hand or by U.S. Mail. It is recommended that Bidders submit questions using the following format.

RFP Section Reference	RFP Page Number	Question

Written answers will be posted at <http://das.nebraska.gov/materiel/purchasing.html> per the Schedule of Events.

E. PRICES

As mentioned, above, the State is not seeking Cost Proposals for this draft RFP. Cost Proposals will be requested in the Final Request for Proposal (RFP). However, the language we intend to include in the final RFP appears below.

Prices submitted on the cost proposal form shall remain fixed for the initial three (3) years of the contract. Any request for a price increase subsequent to the initial three (3) years of the contract shall not exceed three and a half percent (3.5 %) of the previous Contract period. Increases will be cumulative across the remaining periods of the contract. Requests for an increase must be submitted in writing to the State Purchasing Bureau a minimum of 6 months prior to the end of the current contract period. Documentation may be required by the State to support the price increase.

The State reserves the right to deny any requested price increase. No price increases are to be billed to any State Agencies prior to written amendment of the contract by the parties.

F. SECRETARY OF STATE/TAX COMMISSIONER REGISTRATION REQUIREMENTS (Statutory)

All bidders must be authorized to transact business in the State of Nebraska and comply with all Nebraska Secretary of State Registration requirements. The bidder who is the recipient of an Intent to Award will be required to certify that it has complied and produce a true and exact copy of its current (within ninety (90) calendar days of the intent to award) Certificate or Letter of Good Standing, or in the case of a sole proprietorship, provide written documentation of sole proprietorship and complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>. This must be accomplished prior to execution of the contract.

G. ETHICS IN PUBLIC CONTRACTING

The State reserves the right to reject bids, withdraw an intent to award or award, or terminate a contract if a bidder commits or has committed ethical violations, which include, but are not limited to:

1. Offering or giving, directly or indirectly, a bribe, fee, commission, compensation, gift, gratuity, or anything of value to any person or entity in an attempt to influence the bidding process;
2. Utilize the services of lobbyists, attorneys, political activists, or consultants to influence or subvert the bidding process;
3. Being considered for, presently being, or becoming debarred, suspended, ineligible, or excluded from contracting with any state or federal entity;
4. Submitting a proposal on behalf of another Party or entity; and
5. Collude with any person or entity to influence the bidding process, submit sham proposals, preclude bidding, fix pricing or costs, create an unfair advantage, subvert the bid, or prejudice the State.

The Bidder shall include this clause in any subcontract entered into for the exclusive purpose of performing this contract.

Bidder shall have an affirmative duty to report any violations of this clause by the Bidder throughout the bidding process, and throughout the term of this contract for the successful Bidder and their subcontractors.

H. DEVIATIONS FROM THE REQUEST FOR PROPOSAL

The requirements contained in the RFP become a part of the terms and conditions of the contract resulting from this RFP. Any deviations from the RFP in Sections II through VI must be clearly defined by the bidder in its proposal and, if accepted by the State, will become part of the contract. Any specifically defined deviations must not be in conflict with the basic nature of the RFP, requirements, or applicable state or federal laws or statutes. "Deviation", for the purposes of this RFP, means any proposed changes or alterations to either the contractual language or deliverables within the scope of this RFP. The State discourages deviations and reserves the right to reject proposed deviations.

I. SUBMISSION OF PROPOSALS

Bidders should submit one proposal marked on the first page: "ORIGINAL" and one electronic proposal. If multiple proposals are submitted, the State will retain one copy marked "ORIGINAL" and destroy the other copies. The Bidder is solely responsible for any variance between the copies submitted. If there is a discrepancy between the hard copy and the electronic copy, the hard copy will be the controlling document. Proposal responses should include the completed Form A, "Bidder Contact Sheet". Proposals must reference the RFP number and be sent to the specified address. Please note that the address label should appear as specified in Section I B. on the face of each container or bidder's bid response packet. If a recipient phone number is required for delivery purposes, 402-471-6500 should be used. The RFP number should be included in all correspondence.

Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to requirements, completeness, and clarity of content. If the bidder's proposal is presented in such a fashion that makes evaluation difficult or overly time consuming, the State reserves the right to reject the proposal as non-conforming.

By signing the "Request for Proposal for Contractual Services" form, the bidder guarantees compliance with the provisions stated in this RFP.

The State shall not incur any liability for any costs incurred by bidders in replying to this RFP, in the demonstrations and/or oral presentations, or in any other activity related to bidding on this RFP.

The Technical and Cost Proposals should be packaged separately (loose-leaf binders are preferred) on standard 8 ½" by 11" paper, except that charts, diagrams and the like may be on foldouts which, when folded, fit into the 8 ½" by 11" format. Pages may be consecutively numbered for the entire proposal, or may be numbered consecutively within sections. Figures and tables should be numbered and referenced in the text by that number. They should be placed as close as possible to the referencing text. All documents/attachments shall remain in their native format (e.g., Excel documents should be responded to and remain in Excel formats). The Technical Proposal should not contain any reference to dollar amounts. However, information such as data concerning labor hours and categories, materials, subcontracts and so forth, shall be considered in the Technical Proposal so that the bidder's understanding of the scope of work may be evaluated. The Technical Proposal shall disclose the bidder's technical approach in as much detail as possible, including, but not limited to, the information required by the Technical Proposal instructions. As stated above, we are not soliciting Cost Proposals at this time.

J. BID PREPARATION COSTS

The State shall not incur any liability for any costs incurred by Bidders in replying to this RFP, including any activity related to bidding on this RFP.

K. FAILURE TO COMPLY WITH REQUEST FOR PROPOSAL

Violation of the terms and conditions contained in this RFP or any resultant contract, at any time before or after the award, shall be grounds for action by the State which may include, but is not limited to, the following:

1. Rejection of a bidder's proposal;
2. Withdrawal of the Intent to Award;
3. Withdrawal of the Award;
4. Termination of the resulting contract;
5. Legal action; and
6. Suspension of the bidder from further bidding with the State for the period of time relative to the seriousness of the violation, such period to be within the sole discretion of the State.

L. BID CORRECTIONS

A bidder may correct a mistake in a bid prior to the time of opening by giving written notice to the State of intent to withdraw the bid for modification or to withdraw the bid completely. Changes in a bid after opening are acceptable only if the change is made to correct a minor error that does not affect price, quantity, quality, delivery, or contractual conditions. In case of a mathematical error in extension of price, unit price shall govern.

M. LATE PROPOSALS

Proposals received after the time and date of the proposal opening will be considered late proposals. Late proposals will be returned unopened, if requested by the bidder and at bidder's expense. The State is not responsible for proposals that are late or lost regardless of cause or fault.

N. PROPOSAL OPENING

The opening of proposals will be public and the bidders will be announced. Proposals **WILL NOT** be available for viewing by those present at the proposal opening. Vendors may contact the State to schedule an appointment for viewing proposals after the Intent to Award has been posted to the website. Once proposals are opened, they become the property of the State of Nebraska and will not be returned.

O. REQUEST FOR PROPOSAL/PROPOSAL REQUIREMENTS

The proposals will first be examined to determine if all requirements listed below have been addressed and whether further evaluation is warranted. Proposals not meeting the requirements may be rejected as non-responsive. The requirements are:

1. Original Request for Proposal for Contractual Services form signed using an indelible method;
2. Clarity and responsiveness of the proposal;
3. Completed Corporate Overview (Attachment B Bidder Questionnaire);
4. Completed Sections II through VI;
5. Completed Technical Approach (Attachment B Bidder Questionnaire);
6. Completed State Cost Proposal Template.

Any contact, attempted contact, or attempt to influence an evaluator that is involved with this RFP may result in the rejection of this proposal and further administrative actions.

P. EVALUATION COMMITTEE

Proposals are evaluated by members of an Evaluation Committee(s). The Evaluation Committee(s) will consist of individuals selected at the discretion of the State. Names of the members of the Evaluation Committee(s) will not be published prior to the intent to award.

Any contact, attempted contact, or attempt to influence an evaluator that is involved with this RFP may result in the rejection of this proposal and further administrative actions.

Q. EVALUATION OF PROPOSALS

All proposals that are responsive to the RFP will be evaluated. Each evaluation category will have a maximum point potential. The State will conduct a fair, impartial, and comprehensive evaluation of all proposals in accordance with the criteria set forth below. Areas that will be addressed and scored during the evaluation include:

1. Corporate Overview should include but is not limited to:
 - a. the ability, capacity, and skill of the bidder to deliver and implement the system or project that meets the requirements of the RFP;
 - b. the character, integrity, reputation, judgment, experience, and efficiency of the bidder;
 - c. whether the bidder can perform the contract within the specified time frame;
 - d. the quality of bidder performance on prior contracts;
 - e. such other information that may be secured and that has a bearing on the decision to award the contract;
2. Technical Approach; and,
3. Cost Proposal.

Neb. Rev. Stat. §73-107 allows for a preference for a resident disabled veteran or business located in a designated enterprise zone. When a state contract is to be awarded to the lowest responsible bidder, a resident disabled veteran or a business located in a designated enterprise zone under the Enterprise Zone Act shall be allowed a preference over any other resident or nonresident bidder, if all other factors are equal.

Resident disabled veterans means any person (a) who resides in the State of Nebraska, who served in the United States Armed Forces, including any reserve component or the National Guard, who was discharged or otherwise separated with a characterization of honorable or general (under honorable conditions), and who possesses a disability rating letter issued by the United States Department of Veterans Affairs establishing a service-connected disability or a disability determination from the United States Department of Defense and (b)(i) who owns and controls a business or, in the case of a publicly owned business, more than fifty percent of the stock is owned by one or more persons described in subdivision (a) of this subsection and (ii) the management and daily business operations of the business are controlled by one or more persons described in subdivision(a) of this subsection. Any contract entered into without compliance with this section shall be null and void.

Therefore, if a resident disabled veteran or business located in a designated enterprise zone submits a proposal in accordance with Neb. Rev. Stat. §73-107 and has so indicated on the RFP cover page under "Bidder must complete the following" requesting priority/preference to be considered in the award of this contract, the following will need to be submitted by the vendor within ten (10) business days of request:

1. Documentation from the United States Armed Forces confirming service;
2. Documentation of discharge or otherwise separated characterization of honorable or general (under honorable conditions);
3. Disability rating letter issued by the United States Department of Veterans Affairs establishing a service-connected disability or a disability determination from the United States Department of Defense; and
4. Documentation which shows ownership and control of a business or, in the case of a publicly owned business, more than fifty percent of the stock is owned by one or more persons described in subdivision (a) of this subsection; and the management and daily business operations of the business are controlled by one or more persons described in subdivision (a) of this subsection.

Failure to submit the requested documentation within ten (10) business days of notice will disqualify the bidder from consideration of the preference.

R. ORAL INTERVIEWS/PRESENTATIONS AND/OR DEMONSTRATIONS

The State may determine after the completion of the Technical and Cost Proposal evaluation that oral interviews/presentations and/or demonstrations are required. Every bidder may not be given an opportunity to interview/present and/or give demonstrations; the State reserves the right, in its discretion, to select only the top scoring bidders to present/give oral interviews. The scores from the oral interviews/presentations and/or

demonstrations will be added to the scores from the Technical and Cost Proposals. The presentation process will allow the bidders to demonstrate their proposal offering, explaining and/or clarifying any unusual or significant elements related to their proposals. Bidders' key personnel, identified in their proposal, may be requested to participate in a structured interview to determine their understanding of the requirements of this proposal, their authority and reporting relationships within their firm, and their management style and philosophy. Only representatives of the State and the presenting bidder will be permitted to attend the oral interviews/presentations and/or demonstrations. A written copy or summary of the presentation, and demonstrative information (such as briefing charts, et cetera) may be offered by the bidder, but the State reserves the right to refuse or not consider the offered materials. Bidders shall not be allowed to alter or amend their proposals.

Once the oral interviews/presentations and/or demonstrations have been completed, the State reserves the right to make an award without any further discussion with the bidders regarding the proposals received.

Any cost incidental to the oral interviews/presentations and/or demonstrations shall be borne entirely by the bidder and will not be compensated by the State.

S. BEST AND FINAL OFFER

If best and final offers (BAFO) are requested by the State and submitted by the bidder, they will be evaluated (using the stated BAFO criteria), scored, and ranked by the Evaluation Committee. The State reserves the right to conduct more than one Best and Final Offer. The award will then be granted to the highest scoring bidder. However, a bidder should provide its best offer in its original proposal. Bidders should not expect that the State will request a best and final offer.

T. REFERENCE AND CREDIT CHECKS

The State reserves the right to conduct and consider reference and credit checks. The State reserves the right to use third parties to conduct reference and credit checks. By submitting a proposal in response to this RFP, the bidder grants to the State the right to contact or arrange a visit in person with any or all of the bidder's clients. Reference and credit checks may be grounds to reject a proposal, withdraw an intent to award, or rescind the award of a contract.

U. AWARD

The State reserves the right to evaluate proposals and award contract(s) in a manner utilizing criteria selected at the State's discretion and in the State's best interest. After evaluation of the proposals, or at any point in the RFP process, the State of Nebraska may take one or more of the following actions:

1. Amend the RFP;
2. Extend the time of or establish a new proposal opening time;
3. Waive deviations or errors in the State's RFP process and in bidder proposals that are not material, do not compromise the RFP process or a bidder's proposal, and do not improve a bidder's competitive position;
4. Accept or reject a portion of or all of a proposal;
5. Accept or reject all proposals;
6. Withdraw the RFP;
7. Elect to rebid the RFP;
8. Award single lines or multiple lines to one or more bidders; or,
9. Award one or more all-inclusive contracts.

The RFP does not commit the State to award a contract. Once intent to award decision has been determined, it will be posted to the Internet at: <http://das.nebraska.gov/materiel/purchasing.html>

Grievance and protest procedure is available on the Internet at:
<http://das.nebraska.gov/materiel/purchasing.html>

Any protests must be filed by a bidder within ten (10) business days after the intent to award decision is posted to the Internet.

II. TERMS AND CONDITIONS

Bidders should complete Sections II through VI as part of their proposal. Bidder is required to read the Terms and Conditions and should initial either accept, reject, or reject and provide alternative language for each clause. The bidder should also provide an explanation of why the bidder rejected the clause or rejected the clause and provided alternate language. By signing the RFP, bidder is agreeing to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the proposal. The State reserves the right to negotiate rejected or proposed alternative language. If the State and bidder fail to agree on the final Terms and Conditions, the State reserves the right to reject the proposal. The State of Nebraska is soliciting proposals in response to this RFP. The State of Nebraska reserves the right to reject proposals that attempt to substitute the bidder's commercial contracts and/or documents for this RFP.

The bidders should submit with their proposal any license, user agreement, service level agreement, or similar documents that the bidder wants incorporated in the Contract. The State will not consider incorporation of any document not submitted with the bidder's proposal as the document will not have been included in the evaluation process. These documents shall be subject to negotiation and will be incorporated as addendums if agreed to by the Parties.

If a conflict or ambiguity arises after the Addendum to Contract Award have been negotiated and agreed to, the Addendum to Contract Award shall be interpreted as follows:

1. If only one Party has a particular clause then that clause shall control;
2. If both Parties have a similar clause, but the clauses do not conflict, the clauses shall be read together;
3. If both Parties have a similar clause, but the clauses conflict, the State's clause shall control.

A. GENERAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The contract resulting from this RFP shall incorporate the following documents:

1. Request for Proposal and Addenda;
2. Amendments to the RFP;
3. Questions and Answers;
4. Contractor's proposal (RFP and properly submitted documents);
5. The executed Contract and Addendum One to Contract, if applicable ; and,
6. Amendments/Addendums to the Contract.

These documents constitute the entirety of the contract.

Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment to the executed Contract with the most recent dated amendment having the highest priority, 2) executed Contract and any attached Addenda, 3) Amendments to RFP and any Questions and Answers, 4) the original RFP document and any Addenda, and 5) the Contractor's submitted Proposal.

Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

B. NOTIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Contractor and State shall identify the contract manager who shall serve as the point of contact for the executed contract.

C. GOVERNING LAW (Statutory)

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that, (1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State's Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this agreement must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity.

The Parties must comply with all applicable local, state and federal laws, ordinances, rules, orders, and regulations.

D. BEGINNING OF WORK

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The bidder shall not commence any billable work until a valid contract has been fully executed by the State and the successful Contractor. The Contractor will be notified in writing when work may begin.

E. CHANGE ORDERS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The State and the Contractor, upon the written agreement, may make changes to the contract within the general scope of the RFP. Changes may involve specifications, the quantity of work or such other items as the State may find necessary or desirable. Corrections of any deliverable, service, or work required pursuant to the contract shall not be deemed a change. The Contractor may not claim forfeiture of the contract by reasons of such changes.

The Contractor shall prepare a written description of the work required due to the change and an itemized cost sheet for the change. Changes in work and the amount of compensation to be paid to the Contractor shall be determined in accordance with applicable unit prices if any, a pro-rated value, or through negotiations. The State shall not incur a

price increase for changes that should have been included in the Contractor's proposal, were foreseeable, or result from difficulties with or failure of the Contractor's proposal or performance.

No change shall be implemented by the Contractor until approved by the State, and the Contract is amended to reflect the change and associated costs, if any. If there is a dispute regarding the cost, but both parties agree that immediate implementation is necessary, the change may be implemented, and cost negotiations may continue with both Parties retaining all remedies under the contract and law.

F. NOTICE OF POTENTIAL CONTRACTOR BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

If Contractor breaches the contract or anticipates breaching the contract, the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

G. BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the Contractor, the State may contract the service from other sources and hold the Contractor responsible for any excess cost occasioned thereby.

The State's failure to make payment shall not be a breach, and the Contractor shall retain all available statutory remedies and protections.

H. NON-WAIVER OF BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.

I. SEVERABILITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

J. INDEMNIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

1. GENERAL

The Contractor agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all third party claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, Subcontractors, consultants, representatives, and agents, resulting from this contract, except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

2. INTELLECTUAL PROPERTY

The Contractor agrees it will, at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of, result from, or are attributable to, the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the Contractor or its employees, Subcontractors, consultants, representatives, and agents; provided, however, the State gives the Contractor prompt notice in writing of the claim. The Contractor may not settle any infringement claim that will affect the State's use of the Licensed Software without the State's prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State's use of any intellectual property for which the Contractor has indemnified the State, the Contractor shall, at the Contractor's sole cost and expense, promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State's behalf to provide the necessary rights to the State to eliminate the infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State's election, the actual or anticipated judgment may be treated as a breach of warranty by the Contractor, and the State may receive the remedies provided under this RFP.

3. PERSONNEL

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel, including subcontractor's and their employees, provided by the Contractor.

4. SELF-INSURANCE

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008). If there is a presumed loss under the provisions of this agreement, Contractor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,829 – 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Section 81-8,294), Tort (Section 81-8,209), and Contract Claim Acts (Section 81-8,302), as outlined in Neb. Rev. Stat. § 81-8,209 et seq. and under any other provisions of law and accepts liability under this agreement to the extent provided by law.

5. The Parties acknowledge that Attorney General for the State of Nebraska is required by statute to represent the legal interests of the State, and that any provision of this indemnity clause is subject to the statutory authority of the Attorney General.

K. ATTORNEY'S FEES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if order by the court, including attorney's fees and costs, if the other Party prevails.

L. PERFORMANCE BOND

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor will be required to supply a bond executed by a corporation authorized to contract surety in the State of Nebraska, payable to the State of Nebraska, which shall be valid for the life of the contract to include any renewal and/or extension periods. The amount of the bond must be \$1,500,000. The bond will guarantee that the selected Contractor will faithfully perform all requirements, terms and conditions of the contract. Failure to comply shall be grounds for forfeiture of the bond as liquidated damages. Amount of forfeiture will be determined by the agency based on loss to the State. The bond will be returned when the service has been satisfactorily completed as solely determined by the State, after termination or expiration of the contract.

M. ASSIGNMENT, SALE, OR MERGER

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Either Party may assign the contract upon mutual written agreement of the other Party. Such agreement shall not be unreasonably withheld.

The Contractor retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Contractor's business. Contractor agrees to cooperate with the State in executing amendments to the

contract to allow for the transaction. If a third party or entity is involved in the transaction, the Contractor will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

N. CONTRACTING WITH OTHER NEBRASKA POLITICAL SUB-DIVISIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. §81-145, to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause. A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

O. FORCE MAJEURE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Neither Party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or manmade event outside the control and not the fault of the affected Party ("Force Majeure Event"). The Party so affected shall immediately make a written request for relief to the other Party, and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted Party's own employees will not be considered a Force Majeure Event.

P. CONFIDENTIALITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

Q. EARLY TERMINATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Contractor. Such termination shall not relieve the Contractor of warranty or other service obligations incurred under the terms of the contract. In the event of termination, the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided. Contractor shall not be entitled to any further payments or penalty.
3. The State may terminate the contract immediately for the following reasons:
 - a. if directed to do so by statute;
 - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
 - c. a trustee or receiver of the Contractor or of any substantial part of the Contractor's assets has been appointed by a court;
 - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Contractor, its employees, officers, directors, or shareholders;
 - e. an involuntary proceeding has been commenced by any Party against the Contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Contractor has been decreed or adjudged a debtor;
 - f. a voluntary petition has been filed by the Contractor under any of the chapters of Title 11 of the United States Code;
 - g. Contractor intentionally discloses confidential information;
 - h. Contractor has or announces it will discontinue support of the deliverable; and,
 - i. In the event funding is no longer available.

R. CONTRACT CLOSEOUT

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Upon contract closeout for any reason the Contractor shall within 30 days, unless stated otherwise herein:

1. Transfer all completed or partially completed deliverables to the State;
2. Transfer ownership and title to all completed or partially completed deliverables to the State;
3. Return to the State all information and data, unless the Contractor is permitted to keep the information or data by contract or rule of law. Contractor may retain one copy of any information or data as required to comply with applicable work product documentation standards or as are automatically retained in the course of Contractor's routine back up procedures;
4. Cooperate with any successor Contractor, person or entity in the assumption of any or all of the obligations of this contract;
5. Cooperate with any successor Contractor, person or entity with the transfer of information or data related to this contract;
6. Return or vacate any state owned real or personal property; and,
7. Return all data in a mutually acceptable format and manner.

- a. Contractor must provide, at no additional cost to the State, up to five (5) files of historical data, for three (3) previous contract years, to any new vendor(s) selected by the State immediately following notification of termination and must be complete within ninety (90) days of notification.
 - b. Contractor must agree to include a clause to the effect that, upon contract termination, the cost of any work required by a new Contractor to bring records in unsatisfactory condition up to date shall be the obligation of Contractor and Contractor shall reimburse such expenses.
- 8. All records (including the provisions of service, participant and data processing documents) shall become the property and be provided to the State of Nebraska at no additional cost to the State.
- 9. All records that are the property of the State will be returned to the State within thirty (30) days.

Nothing in this Section should be construed to require the Contractor to surrender intellectual property, real or personal property, or information or data owned by the Contractor for which the State has no legal claim.

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III. CONTRACTOR DUTIES

A. INDEPENDENT CONTRACTOR / OBLIGATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

It is agreed that the Contractor is an independent Contractor and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, agency, or a partnership.

The Contractor is solely responsible for fulfilling the contract. The Contractor or the Contractor's representative shall be the sole point of contact regarding all contractual matters.

The Contractor shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Contractor uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

By-name personnel commitments made in the Contractor's proposal shall not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

All personnel assigned by the Contractor to the contract shall be employees of the Contractor or a subcontractor, and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Contractor or the subcontractor respectively.

With respect to its employees, the Contractor agrees to be solely responsible for the following:

1. Any and all pay, benefits, and employment taxes and/or other payroll withholding;
2. Any and all vehicles used by the Contractor's employees, including all insurance required by state law;
3. Damages incurred by Contractor's employees within the scope of their duties under the contract;
4. Maintaining Workers' Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law; and
5. Determining the hours to be worked and the duties to be performed by the Contractor's employees.
6. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Contractor, its officers, agents, or subcontractors or subcontractor's employees)

If the Contractor intends to utilize any subcontractor, the subcontractor's level of effort, tasks, and time allocation should be clearly defined in the bidder's proposal. The Contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal in the performance of the contract without the prior written authorization of the State.

The State reserves the right to require the Contractor to reassign or remove from the project any Contractor or subcontractor employee.

Contractor shall insure that the terms and conditions contained in any contract with a subcontractor does not conflict with the terms and conditions of this contract.

The Contractor shall include a similar provision, for the protection of the State, in the contract with any Subcontractor engaged to perform work on this contract.

B. BUSINESS ASSOCIATE AGREEMENT

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Contractor will execute and be in full compliance with Attachment C Business Associate Agreement (BAA) with the State. Contractor acknowledges that it is compliant with the Electronic Data Interchange ("EDI"), Privacy and Security Rules of the Health Insurance Portability and Accountability Act ("HIPAA"), and will execute the appropriate Business Associate Agreement ("BAA") as provided by the State.

C. EMPLOYEE WORK ELIGIBILITY STATUS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>. The completed United States Attestation Form should be submitted with the RFP response.
2. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
3. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

D. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Statutory)

The Contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Contractors of the State of Nebraska, and their Subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all Subcontracts for services to be covered by any contract resulting from this RFP.

E. COOPERATION WITH OTHER CONTRACTORS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Contractor may be required to work with or in close proximity to other Contractors or individuals that may be working on same or different projects. The Contractor shall agree to cooperate with such other Contractors or individuals, and shall not commit or permit any act which may interfere with the performance of work by any other Contractor or individual. Contractor is not required to compromise Contractor's intellectual property or proprietary information unless expressly required to do so by this contract.

F. PERMITS, REGULATIONS, LAWS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Contractor shall obtain and pay for all royalties, licenses, and permits, and approvals necessary for the execution of the contract. The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

G. OWNERSHIP OF INFORMATION AND DATA / DELIVERABLES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The State shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or obtained by the Contractor on behalf of the State pursuant to this contract.

All eligibility and claims records are the sole property of the State, and must be made available upon request to the State and its representatives. Selling of the State's data to ANY outside entities must be approved in advance, reported on a monthly basis and all income derived must be disclosed and shared per agreement with the State. Even if Contractor has not "sold" the data, they are **NOT** free to use the data for analyses that they publish or provide at a fee to outside industries.

The State shall own and hold exclusive title to any deliverable developed as a result of this contract. Contractor shall have no ownership interest or title, and shall not patent, license, or copyright, duplicate, transfer, sell, or exchange, the design, specifications, concept, or deliverable.

H. INSURANCE REQUIREMENTS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor shall throughout the term of the contract maintain insurance as specified herein and provide the State a current Certificate of Insurance/Acord Form (COI) verifying the coverage. The Contractor shall not commence work on the contract until the insurance is in place. If Contractor subcontracts any portion of the Contract the Contractor must, throughout the term of the contract, either:

1. Provide equivalent insurance for each subcontractor and provide a COI verifying the coverage for the subcontractor;
2. Require each subcontractor to have equivalent insurance and provide written notice to the State that the Contractor has verified that each subcontractor has the required coverage; or,
3. Provide the State with copies of each subcontractor's Certificate of Insurance evidencing the required coverage.

The Contractor shall not allow any Subcontractor to commence work until the Subcontractor has equivalent insurance. The failure of the State to require a COI, or the failure of the Contractor to provide a COI or require subcontractor insurance shall not limit, relieve, or decrease the liability of the Contractor hereunder.

In the event that any policy written on a claims-made basis terminates or is canceled during the term of the contract or within one (1) years of termination or expiration of the contract, the Contractor shall obtain an extended discovery or reporting period, or a new insurance policy, providing coverage required by this contract for the term of the contract and one (1) years following termination or expiration of the contract.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Notwithstanding any other clause in this Contract, the State may recover up to the liability limits of the insurance policies required herein.

1. **WORKERS' COMPENSATION INSURANCE**

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the Subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the Subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. **The policy shall include a waiver of subrogation in favor of the State. The COI shall contain the mandatory COI subrogation waiver language found hereinafter.** The amounts of such insurance shall not be less than the limits stated hereinafter. For employees working in the State of Nebraska, the policy must be written by an entity authorized by the State of Nebraska Department of Insurance to write Workers' Compensation and Employer's Liability Insurance for Nebraska employees.

2. **COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE**

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Contractor and any Subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the Contractor or by any Subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an **occurrence basis**, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. **The policy shall include the State, and others as required by the contract documents, as Additional Insured(s).** This policy shall be primary, and any insurance or self-insurance

carried by the State shall be considered secondary and non-contributory. The COI shall contain the mandatory COI liability waiver language found hereinafter. The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

REQUIRED INSURANCE COVERAGE	
COMMERCIAL GENERAL LIABILITY	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 per occurrence
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Medical Payments	\$10,000 any one person
Damage to Rented Premises (Fire)	\$300,000 each occurrence
Contractual	Included
Independent Contractors	Included
<i>If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.</i>	
WORKER'S COMPENSATION	
Employers Liability Limits	\$500K/\$500K/\$500K
Statutory Limits- All States	Statutory - State of Nebraska
Voluntary Compensation	Statutory
COMMERCIAL AUTOMOBILE LIABILITY	
Bodily Injury/Property Damage	\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability	Included
Motor Carrier Act Endorsement	Where Applicable
UMBRELLA/EXCESS LIABILITY	
Over Primary Insurance	\$5,000,000 per occurrence
PROFESSIONAL LIABILITY	
Professional liability (Medical Malpractice)	\$10,000,000 per occurrence
Qualification Under Nebraska Excess Fund	\$20,000,000 Aggregate
All Other Professional Liability (Errors & Omissions)	\$1,000,000 Per Claim / Aggregate
COMMERCIAL CRIME	
Crime/Employee Dishonesty Including 3rd Party Fidelity	\$5,000,000
CYBER LIABILITY	
Breach of Privacy, Security Breach, Denial of Service, Remediation, Fines and Penalties	\$20,000,000
MANDATORY COI SUBROGATION WAIVER LANGUAGE	
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."	
MANDATORY COI LIABILITY WAIVER LANGUAGE	
"Commercial General Liability & Commercial Automobile Liability policies shall name the State of Nebraska as an Additional Insured and the policies shall be primary and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory as additionally insured."	

If the mandatory COI subrogation waiver language or mandatory COI liability waiver language on the COI states that the waiver is subject to, condition upon, or otherwise limit by the insurance policy, a copy of the relevant sections of the policy must be submitted with the COI so the State can review the limitations imposed by the insurance policy.

3. EVIDENCE OF COVERAGE

The Contractor shall furnish the Contract Manager, with a certificate of insurance coverage complying with the above requirements prior to beginning work at:

Administrative Services
Attn: Wellness & Benefits Manager
1526 K Street, Suite 150
Lincoln, NE 68508

These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.

Reasonable notice of cancellation of any required insurance policy must be submitted to the contract manager as listed above when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

4. DEVIATIONS

The insurance requirements are subject to limited negotiation. Negotiation typically includes, but is not necessarily limited to, the correct type of coverage, necessity for Workers' Compensation, and the type of automobile coverage carried by the Contractor.

I. ANTITRUST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

J. CONFLICT OF INTEREST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

By submitting a proposal, bidder certifies that there does not now exist a relationship between the bidder and any person or entity which is or gives the appearance of a conflict of interest related to this RFP or project.

The bidder certifies that it shall not take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its services hereunder or which creates an actual or an appearance of conflict of interest.

The bidder certifies that it will not knowingly employ any individual known by bidder to have a conflict of interest.

The Parties shall not knowingly, for a period of two years after execution of the contract, recruit or employ any employee or agent of the other Party who has worked on the RFP or project, or who had any influence on decisions affecting the RFP or project.

K. STATE PROPERTY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor shall be responsible for the proper care and custody of any State-owned property which is furnished for the Contractor's use during the performance of the contract. The Contractor shall reimburse the State for any loss or damage of such property; normal wear and tear is expected.

L. SITE RULES AND REGULATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor shall use its best efforts to ensure that its employees, agents, and Subcontractors comply with site rules and regulations while on State premises. If the Contractor must perform on-site work outside of the daily operational hours set forth by the State, it must make arrangements with the State to ensure access to the facility and the equipment has been arranged. No additional payment will be made by the State on the basis of lack of access, unless the State fails to provide access as agreed to in writing between the State and the Contractor.

M. ADVERTISING

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

N. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Statutory)

Contractor shall review the Nebraska Technology Access Standards, found at <http://nita.nebraska.gov/standards/2-201.html> and ensure that products and/or services provided under the contract are in compliance or will comply with the applicable standards to the greatest degree possible. In the event such standards change during the Contractor's performance, the State may create an amendment to the contract to request the contract comply with the changed standard at a cost mutually acceptable to the parties.

O. DISASTER RECOVERY/BACK UP PLAN

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue services as specified under the specifications in the contract in the event of a disaster.

P. DRUG POLICY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Contractor certifies it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

IV. PAYMENT

A. TAXES (Statutory)

The State is not required to pay taxes and assumes no such liability as a result of this solicitation. Any property tax payable on the Contractor's equipment which may be installed in a state-owned facility is the responsibility of the Contractor.

B. INVOICES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Invoices for payments must be provided on a secure website with sufficient detail to support payment. The terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract.

The Contractor's invoice(s) and detail will be posted on a monthly basis. The detail for the monthly invoice(s) will be provided in an Excel file and will contain the following information: Invoice Number, Invoice Date, Record Count, Agency, Plan, Tier, Subscriber Name, Coverage Dates, Social Security Number, ASO Fee Amount, Coverage Type, and Benefit Group. If applicable, it is acceptable for the Contractor to provide both the medical and pharmacy fees into one amount per member. The Contractor will provide one invoice for the current monthly membership, then reconcile the membership every month, and provide another invoice for any adjustments for prior periods for any untimely membership terminations or additions.

1. **Administrative Fees**

Administrative Services Only (ASO) fees for medical and pharmacy benefits are required to be invoiced separately and only after deliverables are received, meaning that administrative services must be billed after performance of the services, not in advance of provision of the services. The State's payment terms are outlined in Section IV (E) of this RFP.

2. **Payment Terms Discounts**

Please provide any discounts offered to the State if payment terms are available. The State reserves the right to accept or decline these other available payment options at its sole discretion.

C. CLAIMS REIMBURSEMENT

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor will set up a bank account and have the capability for ACH. The Contractor will maintain and reconcile the bank account. The Contractor will be required to prefund the bank account, with their money. The Contractor will process the approved claims payments out of this account. Only after the approved payments have cleared this bank account, may the Contractor request reimbursement from the State. On a daily basis, the Contractor will e-mail a reimbursement notification to the State indicating the amount of the payments that have cleared the bank account the previous business day. The notification will also include other information for the bank account, i.e. customer number, ABA number, Bank Account number, etc. The State will provide reimbursement to the bank account, via ACH transfer, within three business days of receipt of the reimbursement notification request and the supporting detail. The bank account will be dedicated to the State of Nebraska. The ASO fees will be paid to a different bank account.

The daily claims reimbursement detail, which supports the reimbursement notification, will be posted to the Contractors secure website on a daily basis by 8:00 AM Central Time. The daily cleared claims reimbursement request detail will be provided in an Excel format and will contain the following fields: Customer ID, Contract Number, Plan ID, Bank Account Number, Transaction Date, Transaction ID, Transaction Amount, Service Description, Check/Item Number, Claim Sequence Number, Employee Name, Dependent Name, Employee Social Security Number, Plan Code, Claim Account Number, Issue Date, Date of Service, Work Date, ST CD, Source CD, Source Date, and Book Month.

D. INSPECTION AND APPROVAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Final inspection and approval of all work required under the contract shall be performed by the designated State officials.

The State and/or its authorized representatives shall have the right to enter any premises where the Contractor or Subcontractor duties under the contract are being performed, and to inspect, monitor or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

E. PAYMENT

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

State will render payment to Contractor when the terms and conditions of the contract and specifications have been satisfactorily completed on the part of the Contractor as solely determined by the State. (Neb. Rev. Stat. Section 73-506(1)) Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408). The State may require the Contractor to accept payment by

electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any services provided by the Contractor prior to the Effective Date of the contract, and the Contractor hereby waives any claim or cause of action for any such services.

Contractor agrees that in the event of a dispute between the parties, about the payment or entitlement to receive payment, or any administrative fees hereunder, the Contractor and the State shall endeavor to meet and negotiate a reasonable outcome of said dispute. In no event shall Contractor undertake unilateral offset against any monies or claims paid due and owed to the State.

F. LATE PAYMENT (Statutory)

The Contractor may charge the responsible agency interest for late payment in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408).

G. SUBJECT TO FUNDING / FUNDING OUT CLAUSE FOR LOSS OF APPROPRIATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The State's obligation to pay amounts due on the Contract for a fiscal years following the current fiscal year is contingent upon legislative appropriation of funds. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal year(s) for which such funds are not appropriated. The State will give the Contractor written notice thirty (30) calendar days prior to the effective date of termination. All obligations of the State to make payments after the termination date will cease. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.

H. RIGHT TO AUDIT (First Paragraph is Statutory)

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The State shall have the right to audit the Contractor's performance of this contract upon a 90 days' written notice. Contractor shall utilize generally accepted accounting principles, and shall maintain the accounting records, and other records and information relevant to the contract (Information) to enable the State to audit the contract. The State may audit and the Contractor shall maintain, the Information during the term of the contract and for a period of five (5) years after the completion of this contract or until all issues or litigation are resolved, whichever is later. The Contractor shall make the Information available to the State at Contractor's place of business or a location acceptable to both Parties during normal business hours. If this is not practical or the Contractor so elects, the Contractor may provide electronic or paper copies of the Information. The State reserves the right to examine, make copies of, and take notes on any Information relevant to this contract, regardless of the form or the Information, how it is stored, or who possesses the Information. Under no circumstance will the Contractor be required to create or maintain documents not kept in the ordinary course of Contractor's business operations, nor will Contractor be required to disclose any information, including but not limited to product cost data, which is confidential or proprietary to Contractor.

The Parties shall pay their own costs of the audit unless the audit finds a previously undisclosed overpayment by the State. If a previously undisclosed overpayment exceeds one-half of one percent (.5%) of the total contract billings, or if fraud, material misrepresentations, or non-performance is discovered on the part of the Contractor, the Contractor shall reimburse the State for the total costs of the audit. Overpayments and audit costs owed to the State shall be paid within ninety days of written notice of the claim. The Contractor agrees to correct any material weaknesses or condition found as a result of the audit.

V. PROJECT DESCRIPTION AND SCOPE OF WORK

A. PROJECT OVERVIEW

The State of Nebraska ("State") is the governing body for Nebraska. The State employs approximately 16,400 individuals and offers them comprehensive health and pharmacy benefits. United Healthcare currently administers the following self-insured medical plan designs:

1. Regular Plan
2. Consumer Focused Health Plan (with Health Savings Account Eligibility)
3. WellNebraska (with or without incentive)
4. Direct Primary Care (one high-deductible coverage option and one low deductible coverage option)

The WellNebraska (with or without incentive) Plan Option allows any employee who is eligible to enroll in the WellNebraska Health Plan. However, employees and spouses (if applicable) who choose this option and who have met qualifications for wellness incentives through the State's wellNEssoptions program will benefit from reduced premiums and lower out-of-pocket costs for certain benefits. This option will be **discontinued** beginning Plan Year 2019/2020. The State intends to develop a new plan with similar benefits to replace this option for a July 1, 2019 effective date. A new plan with similar benefits will be developed to replace this option.

Optum Bank administers the Health Savings Accounts benefit. OptumRx administers the prescription drug benefit. This benefit includes a Specialty Pharmacy Program, administered by BrivoRx Specialty Pharmacy.

Through the passage of Legislative Bill 1119, the Nebraska Legislature introduced the Direct Primary Care (DPC) Pilot Program Act, which allows for the establishment of the Direct Primary Care Pilot Program. The program, established within the Nebraska State Insurance Program, shall include at least two direct primary care health plans. These are plans, which include direct primary care services offered by a participating provider and health care coverage for medical specialists, hospitals, pharmacy and other medical coverage. Under the legislation, the non-direct primary health care coverage must include at least one high-deductible coverage option and one low deductible coverage option to provide major medical coverage to supplement the direct primary care services. The final bill was passed in the Nebraska Legislature and approved by the Governor of Nebraska on April 13, 2018. Please see the link for further information: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Final/LB1119.pdf>

Responses for the administration of the health plans offered by the State of Nebraska must be based on these common plan designs, however, alternative plan designs may be proposed in addition to the standard plans as outlined. All such proposals must be clearly marked as a deviation in accordance with Section I (H), above, and variations in coverage levels or benefits provided must be clearly delineated. A bidder's alternative plan(s) will not be considered unless the bidder has also submitted a response in compliance with the current plan options for state employees.

Information about the current health plans offered to plan members is available at:
<http://das.nebraska.gov/benefits.html>

Health Plans (Plan Options: Regular, Consumer Focused, and WellNebraska) and Pharmacy Benefits can be found at: <http://das.nebraska.gov/Benefits/Active/healthplan-about.html>

B. PROJECT ENVIRONMENT

As of February 1, 2018, of the State's approximately 16,400 benefit eligible employees, 13,300 are enrolled in its health plan. These employees are primarily located throughout the State of Nebraska.

The State allows both Union and non-Union employees to be enrolled in one of the three (3) State health plans.

Medical Administration requirements, items 1 through 5 listed below are available upon written request from the point of contact listed in Section I.B on Final RFP. Please see Attachment A Census and Claims File Elements detail for this draft RFP.

1. Census data for active employees, COBRA participants and pre-65 retirees;
2. Claim data for the most recent 24 month period;
3. Enrollment data for the most recent 24 month period;
4. Large loss information for the most recent 12 month period;
5. Provider listing for the most recent 12-month period by inpatient, outpatient and professional services.

Pharmacy Benefit Administration requirements items 1 through 2 listed below are available upon written request from the point of contact listed in Section I.B on **Final** RFP. Please see Attachment A Census and Claims File Elements detail for this draft RFP.

1. Census data for active employees, COBRA participants and pre-65 retirees;
2. Claim data for the most recent 12-month period.

Once Bidders have notified the point of contact listed in Section I.B., they want to receive the data outlined above, the Bidder will be emailed a Non-Disclosure Agreement (NDA) Attachment D. Signed NDAs are to be emailed to JSlutzky@segalco.com. Data will NOT be released until the Bidder submits a signed agreement. Upon receipt of the signed NDA, the Bidder will receive the data via Segal's Secure File Transfer (SFT) server. Bidders must register to use the SFT site in order to obtain the data.

C. ENROLLMENT

Following is a table representing State employee participation in each health plan by tier and is not an exact match to the Census Data:

The network of locations that can provide medical services and prescription medications must be in areas where our employees, retirees and COBRA participants live. Bidders should evaluate the information in identifying both In-Network and Out-of-Network locations utilizing data provided by the State.

Plan/Tier	Regular PPO	Wellness PPO with incentive	High Deductible Health Plan (CFHP)	Wellness without incentive	Total
Employee Only	1,913	3,182	633	195	5,923
Employee/Spouse	832	1,194	159	70	2,255
Employee/Child(ren)	451	1,215	151	96	1,913
Family	719	1,841	230	127	2,917
Total	3,915	7,432	1,173	488	13,008

D. PROJECT DESCRIPTION AND SCOPE OF WORK

The State of Nebraska is requesting proposal responses for a Contractor that provides an integrated medical and prescription drug plan.

E. PROJECT OBJECTIVES

The objectives for the medical administration component are to obtain, related to the specified scope of services, employee and State staff satisfaction with the plan Contractor, assistance with controlling expenditures through negotiated provider reimbursement schedules, and emerging provider reimbursement methodologies. The Contractor shall perform the following services:

1. Provide complete administrative and support services for the medical administration including but not limited to:
 - a. Access to nationwide network of providers with uniform quality of care and services;
 - b. Cost effective contracting arrangements that can be demonstrated to represent direct savings to the State;
 - c. Comprehensive set of medical management services
 - d. Show strong financial stability
 - e. Demonstrate innovative and quality-oriented medical claims administration
 - f. Provide excellent communication services
 - g. Provide superior account service to the State, on-site staffing and excellent customer support to members
 - h. Provide seamless implementation of the program for the State and its members

The objectives for the prescription benefit administration component are to obtain secure competitive pricing and fees for pharmacy benefit management services while maintaining and enhancing the quality of the pharmacy benefit plan

and maximizing employee satisfaction. In addition, the State seeks clinical and utilization management programs that will be effective in reducing costs and waste while ensuring the highest quality patient care.

2. Provide complete administrative and support services for the prescription drug administration - including, but not limited to:
 - a. Claims Adjudication
 - b. Member Enrollment and Eligibility Maintenance
 - c. ID Card Production and Distribution
 - d. Patient and Provider Education
 - e. Systematic Prospective, Concurrent and Retroactive Drug Utilization Review
 - f. Account Management Services (including standard/custom reporting and online systems)
 - g. Member Services (including call center, website and portal)
 - h. Formulary Management and Rebate Sharing
 - i. Clinical and Utilization Management Programs
 - j. Network Pharmacy Management
 - k. Mail Service Pharmacy
 - l. Specialty Pharmacy Program
 - m. Ability to share claims data with other State healthcare and data analytics vendors as needed
3. Provide information about emerging trends in the pharmacy benefits industry and how they may be applied to the State's pharmacy benefits within the constraints of the State's ability to change plan design and employee contribution structures.
4. Provide an integrated system for processing retail, mail order and specialty pharmacy claims.
5. Promptly process and fill all prescriptions submitted by the State's plan members. The Contractor must provide all prescription fulfillment and processing services for all covered members.
6. Load all current Prior Authorizations, open mail order refills, open specialty refills, claim history files, and accumulator files that exist for current members from the existing Pharmacy Benefit Manager (PBM) at NO charge to the State no later than the date of implementation of management by the Contractor. (NO charge includes no charges being deducted from the implementation allowance for file loading or IT.)
7. Agree that its mail order service must notify individual participating members and the State or its designee prior to substituting products that will result in a higher member copayment.

F. SUBROGATION REQUIREMENT

Contractor shall enforce the State's right to seek recovery based on subrogation or other theories from third parties, or other insurance carriers, who have caused injury or illness to a covered person or damages to the plan, except when said third party is the State of Nebraska. Contractor shall provide subrogation recovery service at no additional charge to the State. Contractor may engage a subcontractor to perform specialized services for recovery of funds or discovery of overpayment or fraud. If any subrogation services are subcontracted by contractor, approval of subcontractors and contract terms must be obtained from the State prior to contractor entering into an agreement with any such subcontractor(s). Such subcontractors may be reimbursed based on a reasonable basis other than percent of recovery, but cost of such subcontractors shall be the responsibility of contractor and shall not be deducted from the subrogated amount. The Contractor shall obtain the approval of the State for any subrogation claim that is less than 100% of the State's loss, and shall obtain the State's approval of all settlements. In the event that the State is a party to litigation regarding any such claims, settlement or release of such claims must be approved by the State. This authority regarding recoveries from third parties or their carriers includes participation in consolidated or class action lawsuits alleging such injuries, if authorized by the State. Any recovery from consolidated or class action suits will be apportioned among all insured and self-insured plans or pools in like manner. The proration may be based on number of covered persons, number of injured persons, claims volume, or any other basis determined by contractor and approved by the State. Recoveries made in the same plan year as the original claim payments are made, will be applied to the State's claims liability by immediate credit to the State. Recoveries made in subsequent years will be credited in total to the State's claim liability at the time recovery is made. The State agrees to cooperate with all such recovery efforts

G. PLAN REQUIREMENTS

1. There will be no restrictions or benefit limitations for pre-existing conditions applied to any members or their dependents under the plan.
2. The plan will contain the "birthday rule" and will have group-to-group coordination of benefits provision. The birthday rule applies when two parents cover the same dependent children under two different health plans, the parent whose birthday falls earliest in the calendar year will be considered as the primary carrier for the dependent children.
3. The Contractor shall provide services to all present members (active employees, COBRA participants, early retirees, and eligible dependents) enrolled on the program effective date.
4. Members who are not actively at work due to disablement on program effective date will be covered.
 - a. The Contractor must perform a semi-annual, and/or as requested, Comparison Analysis and Strategic review. This analysis and plan should include, but not be limited to, identifying how the State of Nebraska's expenses and policies compare to other states, large employers, and the bidder's innovative concepts for modifications to existing programs, the addition of new programs and or recommendations for changes in the State's policies on how to improve the State's performance and specific methods to reduce costs.
5. Provide reports and claim analyses that meet the needs of the State including, but not limited to:
 - a. Key Performance Indicators developed by the State
 - b. Ad Hoc reports
 - c. Benchmarking against peer state clients
6. Responsible for the provision of all levels of full and fair review of claims, claim denials and appeals made by members as mandated by the federally regulated appeals process. Determination of payment or denial of claims or of appealed claims shall be made by Contractor following appropriate analysis and review. The State may submit to Contractor any request it receives for a review of a claim that has been denied so that Contractor may provide a full and fair review of the claim in compliance with the Patient Protection and Affordable Care Act (PPACA) appeals process. The State reserves the right to uphold, overturn or modify any denied claim(s) by Contractor.
7. Design communications materials as mutually agreed by the parties to be necessary to communicate the program to members and for use by the State in developing summary plan descriptions, or other program materials.
8. Advise and assist the State in the preparation of forms and other documentation necessary to fulfill reporting and disclosure requirements.
9. Provide final Summary Plan Documents (SPD), written and electronic, including SPD language for any clinical programs to be implemented, to the State prior to the Open Enrollment period and subsequent open enrollments.
10. The State will neither recognize the appointment of any agent, general agent or broker by a bidder nor authorize any payment or remuneration of any kind by the Contractor to a party not approved in writing by the State.
11. Provide guidance and written documentation within thirty (30) days upon request, on the PPACA and any future issues as related to health care reform, including but not limited to data comparison, analytics, strategic development, timelines, compliance, impact studies and implementation as they pertain to the State of Nebraska's experience.
12. Absorb any programming or other administrative costs to meet any existing or future requirements of PPACA at no additional cost to the State.
13. Administer the plans in compliance with the insurance laws of the State of Nebraska and all Federal regulations.

14. Monitor Federal and State legislation affecting the delivery of medical and prescription drug benefits under the plan and report to the State on those issues in a timely fashion prior to the effective date of any mandated plan changes.
15. Provide and cover all costs necessary for legal defense in the event of litigation regarding Contractor's management of the plan, payment, or rejection of claims and other obligation under the contract.
16. Provide information on administrative and/or litigation experience during the past three (3) years, including pending cases, awards, and settlements (both in and out of court).
17. Certify that Contractor will not release any information related to the State of Nebraska health plans or claims in detail or in aggregate unless authorized by the Director of Administrative Services.
18. Provide immediate on-line real-time manual eligibility updates for urgent requests by the State of Nebraska staff.
19. Attend an annual performance or "stewardship" meeting within 180 days after contract year-end at which time the Contractor will, as directed by the State, summarize activities and performance for the year ended.
20. Assign a dedicated Account Executive who shall be accountable and responsible to the State for proactive management of all aspects of the Contractor's performance to the State and its members. The Contractor shall not change assignment of the Account Executive without written notice provided to the State with a minimum of fourteen (14) business days prior to such change. The State reserves the right to request assignment of a new Account Executive and the Contractor shall make such change within 30 calendar days of receipt of written notice from the State.
21. Provide an Account Manager on-site or available by phone conference within two (2) hours after a request by the State and at no additional cost to the State. Account Manager must be available no later than July 1, 2019.
22. Provide dedicated staff in the following specialties:
 - a. Implementation Manager: Responsible for development and execution of implementation plan. Coordinates with the State, internal and other external resources. The Implementation Manager shall be dedicated to the State during the implementation process. Three (3) years of experience as an Implementation Manager and experience with groups 15,000 and larger are also required.
 - b. Account Executive: Responsible for overall account relationship including strategic planning in relation to plan performance, consultative services, recommendations for benefit design and cost containment opportunities, overseeing contractual services under the contract with the State, and managing all other Contractor's staff working on this account. Has overall responsibility for waste, fraud and abuse oversight and control. The Account Executive will be located in Nebraska and will be dedicated to the State account. The Account Executive will have a minimum five (5) years of experience as an Account Executive and have previously served as an Account Executive for at least one (1) year for a group of at least 15,000 members.
 - c. Clinical Pharmacist: Pharmacist with oversight and management of all clinical aspects of the State's plans; attends all clinical meetings; prepares clinical agenda; tracks new drugs in the market; reviews all prior authorization criteria with the State and customizes as necessary; provides all web PDL posting documents; provides Vendor P&T committee feedback; performs clinical research as needed. Must be dedicated to the State and in good standing with the Nebraska Board of Pharmacy. Must have a minimum 3 years' experience in a PBM and/or managed care pharmacy environment with direct responsibility for developing, implementing and maintaining clinical pharmacy programs.
 - d. Operations Director: Responsible for all claims operations and reporting, including overseeing the file transfer process of eligibility data, interfaces between vendors, reporting, and data sharing. Monitors provider coding and claims submission patterns for potential waste, fraud and abuse. Three (3) years of experience as an Operations Director and experience with groups 15,000 and larger are also required.

- e. Network Manager: Responsible for monitoring and assisting in resolving provider contract disputes, monitors and reports to the State on network access. Monitors State utilization and is proactive in expanding networks as needed to adjust to changes in member demand, access needs and/or gaps in care. Monitors provider coding and claims submission patterns for potential waste, fraud and abuse. Facilitates the expansion and increased awareness of tiered networks and centers-of-excellence. Three (3) years of experience as a Network Manager and experience with groups 15,000 and larger are also required.
 - f. Member Services Manager: Responsible for all customer service functions and reporting. Three (3) years of experience as a Member Services Manager and experience with groups 15,000 and larger are also required.
- 23. Participate in an Annual Vendor Summit to discuss strategic opportunities for the State's overall health management program.
 - 24. Perform a semi-annual, and/or as requested, Comparison Analysis and Strategic review. This analysis and plan should include, but not be limited to identifying how the State of Nebraska's expenses and policies compare to other states, large employers, and the Contractor's innovative concepts for modifications to existing programs, the addition of new programs and or recommendations for changes in the State's policies on how to improve the State's performance and specific methods to reduce costs.
 - 25. Provide data feeds (ex. eligibility file) to the State's vendor partners such as ASI COBRA-, as requested. The cost for providing data feeds must be included in the Contractor's administrative fees.
 - 26. Provide an annual score card so the State can assess Contractor's performance. Provide a sample of your annual scorecard.
 - 27. Administer run-out claims for 12 months following termination of the contract. The cost of run-out administration must be included in your proposed administration fees.
 - 28. Provide complete banking arrangements for claims processing, including the printing and issuing of checks and electronic funds transfer.
 - 29. The State requires the Contractor to participate in the planning and execution of the annual Interactive Informational Forum (IIF) in April of each year. In addition to the IIF, the Contractor is required to participate in the informational meetings across the State directly following the IIF. If requested by other State agencies, the Contractor may participate in agency specific health fairs.
 - 30. Integrate with the State's eligibility systems.
 - 31. Accept electronic transfer of eligibility data in a format indicated by the State.
 - 32. Implement eligibility updates within 24 hours of receipt.
 - 33. Maintain eligibility records for all participants.
 - 34. Maintain eligibility reconciliations between Contractor files and the State's eligibility files.
 - 35. Upon request, Contractor will provide HEDIS reports or State specific utilization data for health plans for State members.
 - 36. Provide detailed information on how Contractor hold-harmless provisions and network agreements are enforced with providers/pharmacists.

H. REQUESTED PHARMACY BENEFIT CONTRACTUAL TERMS

Contractor Requirements:

- 1. Contractor must complete a mid-contract term market check, that may start as soon as the second quarter of the second contract year, conducted by an independent third party (of the State's choosing) to ensure the State is receiving appropriate current pricing terms competitive with the industry (as compared to other PBMs) based on its volume and membership, and will improve pricing in the event that the State's contract terms are less

than current. The State will have the right to terminate without penalty if the pricing terms are not industry competitive.

2. Contractor will implement new pricing within 90 days of completion of the market check or signature of contract. Acceptance of the new pricing will apply for the remainder of the Initial Term and will NOT result in renewal of the contract, unless requested by the State. The financial guarantees for any partial contractual year that results from the implementation of new pricing will still be guaranteed, reconciled and the Contractor will still make payments for any shortfalls for those partial contractual years with less than 12 months and those contractual years with over 12 months.
3. Contractor will do quarterly face-to-face meetings with the State to discuss plan performance, present utilization and financial results, etc. at Contractor's expense. At a minimum, the State expects that the Account Executive and the Clinical Pharmacist attend these meetings.
4. Contractor will provide biweekly (every 2 weeks) and/or monthly data transmissions to at least five chosen vendors at no charge, and two full, annual electronic claims files, in the National Council for Prescription Drug Programs (NCPDP) format, at **NO** charge. Contractor will also interact/exchange data with all vendors as needed at no additional charge
5. The State will have the ability to adjust "refill-too-soon" limits at both retail and mail without any modifications to the guaranteed pricing
6. Contractor will ensure all future edits required as a result of plan design changes implemented by the State or its designee, and uploads therefore, shall be completed, after testing, by the Contractor within 30 days of request/advisory by the State or its designee
7. Minimum Brand and Minimum Generic Discount Guarantees for both mail and retail shall be defined as follows: (1 – Aggregate Ingredient Cost/Aggregate AWP)
 - a. Aggregate Discounted Ingredient Cost prior to application of plan specific copayments will be the basis of the calculation
 - b. Aggregate AWP will be from a single, nationally recognized price source for all claims. (Please indicate source.)
 - c. Dispensing Fees are not included in the Aggregate Ingredient Cost.
 - d. Zero balance due claims or zero amount claims will be included in the guaranteed measurement for AWP, ingredient cost, achieved discounts or dispensing fee calculations at the discounted cost before copay.
 - e. All guarantee measurements shall be calculated prior to the copayment being applied. Entire dollar-for-dollar shortfalls, prior to the application of copayments, will be reimbursed to the State without any adjustments to remove zero balance due or excess copayment claims.
 - f. Both the Aggregate Ingredient Cost and Aggregate AWP from the actual date of claim adjudication will be used
 - g. Aggregate AWP will be the date sensitive, 11-digit National Drug Code (NDC) of the actual product dispensed at retail, mail and specialty.
 - h. Non-MAC, MAC, single-source, and multiple source generic products are to be included in the generic guarantee measurement (regardless of the exclusivity period and/or number of manufacturers) and excluded from brand guarantee measurement.
 - i. Compounds, OTC claims, and claims with ancillary charges will be excluded from the guarantee measurements for retail and mail order components.
 - j. The guarantee measurement must exclude the savings impact from DUR programs, formulary programs, utilization management programs, and/or other therapeutic interventions.

- k. Measurement will be performed annually via independent audit utilizing date-sensitive AWP derived from a single, nationally recognized price source for all claims.
- 8. Contractor must provide upon request any algorithms, hierarchy or other logic employed to define a prescription drug as generic or brand

I. HIPAA COMPLIANCE

The Contractor shall provide and describe their capabilities in offering the State an annual HIPAA training seminar to comply with the annual education and training requirements as defined by HIPAA at no cost to the State. In addition, the Contractor must provide and describe their capabilities in performing an annual review of the State's HIPAA policies and make recommendations for the State to maintain compliance with HIPAA policies and guidelines at no cost to the State.

In addition, the State requires the following with respect to HIPAA Compliance:

- 1. Contractor certifies that all personnel/staff have completed their initial HIPAA training.
- 2. Contractor certifies that all personnel/staff will continue to complete HIPAA training on an annual basis.
- 3. Contractor certifies that it is currently in and will maintain full compliance with HIPAA's:
 - a. Administrative simplification standards relating to electronic data transfers.
 - b. Regulations protecting the privacy of individually identifiable health information.
- 4. Contractor must be able to accept standard, HIPAA-compliant enrollment data electronically.
- 5. Contractor certifies that it has conducted a HIPAA assessment, including compliance with HITECH Act and the Omnibus Final Rule.
- 6. Contractor certifies that it has written Information Security Policy and Procedures, and that these policies apply to the systems, processes and personnel directly related to the work included in this contract and not for other subcontractor's or lines of business.
- 7. In the event of a privacy violation or data breach, the Contractor must notify the State immediately and the impacted members to a breach.
- 8. In the event of a privacy violation or data breach, the Contractor shall provide any required remedies to resolve the violation/breach.
- 9. Contractor must hold the State harmless for any HIPAA Violations made by the Contractor and its Network Providers.

J. GENERAL PLAN INFORMATION AND REQUIREMENTS

Contractor will not render or administer services offshore, and all work performed will be in the contiguous United States. Contractor shall participate with wellness activities as determined by the State. Such activities may include working with a State wellness coordinator, contributing to a State wellness committee, or providing wellness resources at no additional cost

K. MEMBER SERVICES

Contractor Requirements:

- 1. The State requires that the Contractor provide an Account Executive and a backup account staff member that will handle ALL service matters related to the operation of the program.
- 2. The State requires that the Contractor will respond to all State inquiries within one (1) business day.
- 3. The State requires that the Contractor's Account team for this account will attend all quarterly and account meetings at the Contractor's expense.

4. Contractor will dedicate a Customer Service unit to the State.
5. Contractor to provide a dedicated toll free number to the State. This line must be dedicated solely for the use of State members. The minimum hours for customer service operation must be from Monday through Friday, 8:00 a.m. to 6:00 p.m., Central Time.
6. Contractor shall have a process in place to handle after-hours calls.
7. For the 24-Hour Nurse Line program, staff must be available 24-hours a day, 365 days a year.
8. Contractor shall utilize a dedicated call tracking and documentation system. This system must be able to produce State-specific Customer Service statistics.
9. Contractor shall comply with the Internal Claims and Appeals and External Review requirements under the PPACA. Contractor shall provide the appeals procedures for denied claims or authorizations and time frames that a member would follow.
10. Contractor must provide hard-copy provider directories to current and prospective members within three business days of request.
11. The State requires the Contractor to develop a mutually agreeable member satisfaction survey to be sent to each plan member, conduct the survey, and collect and report respondent results on an annual basis at no additional cost to the State.
12. Contractor shall have in place a State of Nebraska specific website by Feb 1, 2020, through which members can, at a minimum, access and view eligibility, plan benefits, pharmacy and formulary information, locate a pharmacy, price a prescription specific to the State's plan design, order a mail order refill, track a mail order shipment, and order a replacement card. This website will be linked to the State's internet home page.

L. MEDICAL PLAN DESIGN

Contractor Requirement:

Contractor will duplicate the plan features and level of coverage presently offered to the State's covered member population.

M. DATA ANALYTICS TOOL

Contractor Requirements:

Contractor shall provide a data analytics tool to the State. If the contractor does not have the capability to provide a data analytics tool, the State will allow the contractor to subcontract this service. Contractor must comply with the following minimum requirements of the data analytics tool are as follows:

1. State access to develop and run ad hoc reports on each of the plan options offered by the State;
2. Ability to import medical, pharmacy, wellness, and other third party health data;
3. Ability to identify members with gaps in care according to generally accepted disease management protocols;
4. Ability to allow the State staff to perform ad hoc queries on the data.
5. At a minimum, the State requires your data analytics tool have the ability to stratify data by common variables used in the plan such as but not limited to:
 - a. Variable
 - b. Health Plan type/ Option
 - c. Member Status(Active, Early Retiree, Retiree)
 - d. Relationship (Employee, Spouse, Dependent)
 - e. Network Indicator
 - f. Place of Service (Inpatient, Outpatient, Emergency Room, Physician's office, etc.)
 - g. Major Diagnostic Category

- h. Diagnosis Related Group
 - i. Member ID
 - j. Provider ID
 - k. Date of Service
 - l. Date of Payment
6. At a minimum, the State requires your data analytics tool to have the ability to calculate measures commonly used in the plan such as but not limited to:
- a. Admissions
 - b. Readmissions (7,15,30 days)
 - c. Urgent Care Visits
 - d. Other Facilities
 - e. Avoidable Admissions
 - f. Inpatient Days
 - g. Emergency Room Visits
 - h. Office Visits
 - i. Preventive Screens
 - j. Total number of claims
 - k. Net Payment
 - l. Healthcare Reimbursement Amount
 - m. Copayment Amount
 - n. Coinsurance Amount
 - o. Deductible Amount
7. Contractor must have the ability to report claims based on volume, cost, and location.
8. The State requires access to your data analytics tool to produce executive level and ad hoc reports as well as extracts.
9. The State requires training on all tools made available to staff for reporting purposes at no cost to the State.

N. CLAIMS PROCESSING

Contractor Requirements:

1. The State requires the minimum hours for claims administration operation be from Monday through Friday, 8:00 a.m. to 6:00 p.m. Central Time.
2. Contractor shall credit overpaid claims upon identification within 7 – 10 business days of discovery of overpayment. This does not include actual recovery of funds that were the result of Contractor error.
3. Contractor shall provide quality assurance and internal audit procedures and programs. The Contractor must provide the State with most recent SOC 1 Type 2 audit report for the specific entity proposing to the State as well as an annual audit report on the State's claims.
4. The State requires claims history be maintained on-line for a minimum of ten (10) years.
5. Contractor must comply with State Coordination of Benefits (COB) requirements. COB questionnaires shall be sent to all members on an annual basis. No claims shall be paid until the COB questionnaire is completed and returned by the member.
6. Contractor's claims system must have the capability to process network, non-network, and out-of-area claims on the same system.
7. Contractor must indicate in their annual report to the State how COB savings are calculated.
8. The Contractor must be able to load, audit and insure clean eligibility data at least fifteen (15) business days prior to program effective date. New cards for members must be issued ten business (10) days prior to program effective date to allow such cards to be issued.

9. In addition to the requirements under Section IV. H above, the State (or its representative(s)) shall have the right to audit claims upon reasonable advance notice. Should the State undertake said audit the Contractor's materials and resources necessary for the audit shall be supplied to the State at no additional cost.
10. The State requires that claim payments to providers are reimbursed after checks or electronic transfer of funds are completed, not when they are issued.
11. The State reserves the right to accept or decline the following at no additional cost to the State:
 - a. designated service centers
 - b. designated Account Manager
 - c. designated claims processors
 - d. proposed changes to claims processing systems

O. BEHAVIORAL HEALTH

Contractor Requirements:

1. Contractor must offer a comprehensive behavioral health network that includes a variation of providers such as Psychiatrists (MDs), Psychologists, Therapists, Counselors, Social Workers, etc.
2. Contractor must ensure that behavioral health providers are accepting new patients.
3. Contractor must create a clinically integrated delivery system that coordinates behavioral health services to improve the quality of care

P. ELIGIBILITY/MEMBERSHIP

Contractor Requirements:

1. Contractor must follow the specified eligibility rules established by the State.
2. Contractor must have the capability to receive electronic membership files and to maintain eligibility files and transmit and receive updates from the State electronically.
3. The Contractor must accept the electronic eligibility file in place as of the effective date of this contract and any subsequent files on a regular basis.
4. The State determines eligibility for current members and all dependents (e.g., full-time students, disabled dependents, etc.). All participant and dependent additions or terminations will be processed by the State and sent to Contractor. The State will require Contractor to assist with monthly membership reconciliation and COB.
5. Contractor must provide a real-time, on-line capability for the State to add, delete, or change member status.
6. Contractor must work with current TPA for dependent eligibility verification.
 - a. Contractor must provide the services for complete dependent eligibility audits of the dependent enrolled on employee health plans as indicated below. The bidder must identify the incremental cost to their ASO fees for providing these dependent eligibility audits for sections i, ii, iii and iv below on a PEPM basis. If the bidder does not have the capability to perform dependent eligibility audits, the State will allow the bidder to subcontract this service with a third party.
 - i. Dependent eligibility audit of dependents added for coverage on the employee's health plan during our annual Open Enrollment period, prior to them having access to coverage July 1 of each year. The State has approximately 200 employees each year that enrolls new dependents in one of the State's health plans during each annual Open Enrollment period.
 - ii. Regular dependent eligibility audits of dependents for new hires, prior to them having access to coverage in one of the State's health plans. The State currently hires approximately 1200 employees each year that enrolls in one of the State's health plans with dependents.

- iii. Regular dependent eligibility audits of dependents of employees that have life status changes prior to them having access to coverage in one of the State's health plans. The State currently processes approximately 200 employees with life status changes each year in one of the State's health plans with dependents.
- iv. Random dependent eligibility audits of dependents twice a year of employees currently enrolled in one of the State's health plans. Each random dependent eligibility audit must be performed on 5% of the employees currently enrolled in one of the State's health plans with dependents.

Q. WEB ACCESS

Contractor Requirements:

1. Contractor shall have an interactive website operational by February 1, 2020.
2. Contractor shall provide established standards for web access for Administrative Services employees managing the health plans and State of Nebraska plan members. Any material available through web access must also be made available by hard copy. Contractor must be able to provide the below capabilities at a minimum.
 - a. Member capabilities, including health plan information and tools available to improve health status:
 - i. Request additional or replacement ID cards
 - ii. Print ID cards directly from site
 - iii. Access historical health data
 - iv. Provider directories
 - v. Provider selection where users enter search criteria
 - vi. Claim status review
 - vii. Plan design
 - viii. Ability to email member services
 - ix. Customizable health content tools
 - x. Tools available to evaluate cost and/or quality of healthcare providers
 - xi. On-line access to claim processing status and appeals by the member
 - xii. Applications for mobile devices
 - b. Ability to customize web site for the State
 - c. Ability to hot link to the State's site
 - d. Employer/actuarial consultant inquiry capabilities
 - e. Security/privacy issues
 - f. Future plans/timeframes for enhancements

R. MEDICAL PROVIDER NETWORK

Contractor Requirements:

1. The Contractor shall notify the State immediately if the network or any part thereof, loses any accreditation, licenses or liability insurance coverage, security or bonding.
2. Contractor's network for the State must be accredited by an organization such as National Committee for Quality Assurance (NCQA), Joint Commission on Accreditation of Health Care Organizations (JCAHO), etc.
3. The State requires that when a member or dependent enrollee is admitted in one of the Contractor's network facilities at the time the group contract terminates, the normal/usual discount still applies for the entire period of admittance, as if the program had not terminated.
4. Contractor must have the minimums below for mileage versus providers.

Practice Specialty	Number of Providers Available	Miles from Employees Residence
Adult Physicians (Family Practice , General Practice, General Internal Medicine)	2	8
General Pediatricians	2	8
Obstetricians/Gynecologists	2	8
Acute Care Hospitals	1	15

S. QUALITY ASSURANCE

Contractor Requirements:

1. Contractor is required to have a quality assurance program in place.
2. In addition to the requirements under Section IV. H above, the State reserves the right to conduct a clinical audit of claims processing services upon reasonable advance notice. Should the State undertake said audit, the Contractor shall supply the necessary materials and resources necessary for the audit shall be supplied to the State at no additional cost.

T. UTILIZATION MANAGEMENT/CASE MANAGEMENT

Utilization management (UM) is the evaluation of the appropriateness, medical need and efficiency of health care services, procedures and facilities according to established criteria or guidelines and under the provisions of an applicable health benefits plan. It includes new activities or decisions based upon the analysis of a case. It describes proactive procedures, including discharge planning, concurrent planning, pre-certification and clinical case appeals. It also covers proactive processes, such as concurrent clinical reviews and peer reviews, as well as appeals introduced by the provider, payer or patient.

Case management (CM) is a managed care technique focusing on delivering personalized services to patients to improve their care. It is a method of managing the provision of health care to members with chronic medical conditions. The goal is to coordinate the care to improve both continuity and quality of care and lower costs.

Contractor Requirements:

1. Contractor must have a comprehensive CM Program that addresses short-term and complex long-term care. Bidder should list and describe the case management services provided to members: Address complex, chronic, and short-term conditions.

Contractor shall have the ability to integrate their medical management services that include, but are not limited to, precertification, CM, disease management, Nurse Line, behavioral health, and substance abuse.
2. Contractor must maintain a process to include individuals in the UM/CM program once their paid claims exceed \$50,000.

U. DISEASE MANAGEMENT

The State requires the Contractor to have a Disease Management (DM) service that is to be more than a managed care health service. An effective DM program requires 'whole system' implementation with a range of activities relevant to the context, clinical professionals willing to act as partners or coaches and on-line resources that are verifiable. This is performed with knowledge sharing through centralized medical records plus knowledge building and a medical community integral to the concept of DM. It is a population health strategy as well as an approach to personal health. It is a method of managing the provision of health care to members with high-cost medical conditions. The objective is to reduce healthcare costs and/or improve quality of life for individuals by preventing or minimizing the effects of diseases, usually a chronic condition, through knowledge, skills, enabling a sense of control over life (despite symptoms of the disease) and integrative care.

Contractor Requirements:

1. Contractor must increase member engagement and participation in targeted DM programs offered to members; Educate members on how to manage and control their condition(s);
 - a. Contractor must demonstrate improvement of Disease Management program participants' key clinical indicators.
 - b. Contractor must provide accurate and detailed reporting of the State's DM program activities and outcomes.
 - c. Contractor must assist with strategic planning to provide proactive ideas and plans each year to enhance the program.
 - d. Contractor must provide extensive communications and outreach to engage and educate the membership through personalized, multi-modal, segmented communication rooted in evidence based medicine (EBM) and behavioral science.

V. MEDICAL REPORTING

Contractor Requirements:

State must have the ability to access a portal to create and download their own reports. These reports must be provided at minimum but not limited to:

1. Daily Reporting

The State requires a daily reporting of claims paid in a format acceptable to meet State requirements for Contractor reimbursement; such format shall be determined during contract finalization with the specified Contractor. The following are required data fields for daily reporting and should not include Personal Health Information (PHI):

- a. Policy/Group/Plan Number
- b. Claim Number
- c. Payee
- d. Provider Name
- e. Claim Expense Incurred Date
- f. Claim Payment Date
- g. Claim Process Date
- h. Claim Billed Amount
- i. Claim Allowed Amount
- j. Claim Paid Amount

2. Monthly reporting containing the following information:

- a. Paid claims;
- b. Administrative/Network Fees (if applicable);
- c. Individual claims > 50% pooling/stop loss levels;
- d. Monthly enrollment counts;
- e. Reconciliation of claim drafts to paid claims;
- f. ASO reconciliation of monthly PEPM Administrative Fees.

3. Annual Reports

- a. General claim utilization reports by major line of coverage identifying:
 - i. Claims submitted;
 - ii. Claims eligible;
 - iii. Deductible and coinsurance application;
 - iv. Payment reductions due to network negotiated rates;
 - v. Reasonable and Customary cutbacks and savings;
 - vi. COB savings;

- vii. Ineligible expenses;
- viii. Net benefits paid by major line of coverage.

4. Consultative Reports

- a. Reports that analyze utilization of healthcare services of plan members:
 - i. Identifies opportunities for plan design or care management interventions.

5. Claim utilization report will show separate experience for:

- a. Members
- b. Dependents
- c. COBRA Participants
- d. Retirees

6. Employee contested claims separated by denial reason.

7. Claim lag report.

8. Network savings reports for each network offered.

9. Most utilized hospitals and physicians reports.

10. A year-end financial accounting for the program within 90 calendar days after fiscal year end.

11. Ad Hoc Reporting Capability – both online and paper formats.

12. Any reports should be delivered through an encrypted, secure email system.

W. PHARMACY BENEFITS REPORTING

Contractor requirements:

1. Contractor must be able to provide these pharmaceutical reports at a minimum quarterly;
 - a. Eligibility Report which shows accuracy of updates and changes
 - b. Paid Claims Summary (Ingredient cost, day's supply, dispensing fees, taxes, copay totals by month)
 - c. Detail Claim Listing (Utilization and Ingredient cost by individual claimant, listing the Drug name and dosage, submitted charge, allowable charge, paid)
 - d. Cost Sharing Report (Amounts determined to be ineligible, amounts applied to copays and coinsurance, and amounts adjusted for COB)
 - e. Detailed Utilization Report (# of prescriptions submitted by single source brand, multi-source brand and generic drugs, including average AWP, Ingredient cost per Rx, Dispensing fee, and average day's supply)
 - f. Top Drug Report (detail of cost and utilization by top drug products)
 - g. High Amount Claimant report
 - h. Therapeutic Interchange Report detailing success rates and cost impacts of Contractor initiated interchanges
 - i. Drug Utilization Review activity and Savings Report by type of edit
 - j. Member compliance and adherence to therapy
 - k. Formulary Savings and Rebate report
 - l. Paid Claims Summary (see b.) showing total number of claims, eligible charges and claim payments for each category
 - m. Prior Authorization and other clinical program reporting
 - n. Specialty Rx reporting
 - o. Pharmacy cost and utilization reporting

X. REBATE AND FORMULARY MANAGEMENT

Contractor Requirements:

1. Guaranteed rebates per brand will be based on all brand prescriptions dispensed, not only on formulary prescriptions dispensed.
2. Rebates are guarantees on a minimum (i.e., not fixed) basis, and the Contractor will pass through 100% of the rebates through to the State.
3. Over-performance of minimum rebate guarantees will not be used to offset performance guarantee shortfalls in other areas.
4. Rebates will not be withheld for execution of any contract amendments. The State is entering into a three-year contract and needs no annual renewals/amendments signatures for payment of rebates.
5. Rebates will not be withheld for execution of any contract amendments. The State is entering into a three-year contract and needs no annual renewals/amendments signatures for payment of rebate.
6. Contractor will reconcile rebate guarantees to verify that the State is receiving the guaranteed rebates and provide rebate payments and reports listing detailed rebate utilization and calculations to the State quarterly, within sixty (60) calendar days of the quarter's close, without a request being made by the State.
7. Contractor will provide the annual rebate report within 180 days of the end of each contract year. Any shortfall between the actual result and the minimum rebate guarantees will be paid, dollar-for-dollar, to the State within 180 calendar days of the end of the contract year.
8. All rebate revenue earned by the State will be paid to the State regardless of its contract status as a client. Lag rebates will continue to be paid to the State after contract expiration or termination until 100% of earned rebates are paid.
9. Contractor must produce an auditable quarterly report demonstrating pass-through rebates.
10. Contractor must provide written notification to the State or its designee at least 90 days in advance when a formulary drug is targeted to be moved to or from the preferred/formulary drug list. Contractor must provide a detailed disruption and financial impact analysis at the same time. No greater than two percent (2%) of participants will be disrupted by any formulary deletions or all deletions in total, on an annual basis.
11. Contractor must send timely notification letters to members and their prescribing physicians of drug formulary changes or other changes where there is a negative impact on the member at no additional fee.
12. Contractor must remove drugs from coverage or the formulary at most two times per year and no greater than two percent (2%) of participants will be disrupted by any formulary deletions or all deletions in total, on an annual basis.
13. Contractor will not withhold any financial recoveries from audits performed on the contracted pharmacy network including mail order and specialty pharmacies. Any recoveries will be disclosed and credited to the State.
14. Contractor must not remove any participating network pharmacies that impact greater than 2% of the State's prescriptions without communicating to the State at least sixty (60) days in advance of the scheduled change. If the change is not agreeable to the State, the State will have the right to terminate the contract without penalty.
15. Contractor must offer improved pricing terms to the State if greater than 2% of members are impacted by proposed changes to the participating pharmacy network.
16. If requested by the State, the Contractor agrees to grandfather the current formulary (preferred) list and respective copayments for up to 90 days following the contract effective date with no impact on the minimum rebate guarantees.
17. Do you have a formulary appeal process in place to address member concerns regarding formulary alternatives or provider indications of medical necessity? If yes, explain the process.

18. With the exception of FDA recalls or other safety issues, the Contractor must limit new drug exclusions from coverage to twice per year(typically July 1 and January 1) and only upon 60 day advanced notification to affected members

Y. PHARMACY NETWORK ACCESS AND MANAGEMENT

Contractor Requirements:

1. Contractor must utilize their broadest network.
2. In the event that the contract for a participant's network pharmacy (or pharmacy chain) terminates for any reason, the Contractor will notify plan participants, in writing, with at least 45 days advance notice (or as much time as is feasible if the terminating Pharmacy gives the Contractor less than 45 days' notice). For the purposes of this requirement, plan participant shall mean a member who has had a prescription filled within the last 30 calendar days or a member has an active refill on file with the affected pharmacy.
3. Must have at least two pharmacies within five Miles for members defined as being Urban Enrollees.

Provider Type	Urban Enrollees	Suburban Enrollees	Rural Enrollees
Pharmacies	2 in 5 miles	2 in 10 miles	2 in 20 miles

4. Contractor must be responsive to requests by the State to recruit additional pharmacies for the network, on a general, regional, or specific basis.
5. Contractor must have a network of retail pharmacies that have agreed to discount their charges for 90-day supplies of maintenance medications.
6. Contractor must apply MAC pricing to Retail Pharmacy 90-Day Network. The MAC price must be the same MAC as the Retail Network or better on an individual drug basis.
7. Contractor will notify the State prior to any anticipated major changes to the network. The State reserves the right to accept or decline proposed changes to the network and set the effective date of such changes.
8. Contractor must pass through 100% of State-related audit recoveries identified through internal daily and ongoing retail network pharmacy audit compliance procedures.
9. Contractor must implement measures to recover overpayments made to pharmacies or members and employ a mechanism to ensure the State receives credit for these overpayments. Details of threshold recovery levels will be finalized at the time of contract award.

Z. MAIL ORDER

Contractor Requirements:

1. Contractor must ensure prescriptions purchased via mail order will never be more expensive than those obtained via retail pharmacies.
2. Contractor will not repackage prescriptions or otherwise change the NDC for any prescription or OTC products dispensed at mail order.
3. Contractor will communicate via a telephone call or email any delays beyond two days in the delivery of prescriptions to the member.
4. Contractor will send prescription orders to members that do not provide appropriate payments with their prescription order, up to three times the plans highest copayment for each enrollee. After the ceiling is reached, the Contractor may implement standard accounts receivable policies and procedures.
5. Contractor will arrange and pay for a short-term retail supply of a delayed or incorrectly processed mail order prescription caused by your organization. In addition, Contractor must not to charge the State's members for expedited delivery of the mail order prescription if the prescription delay is caused by Contractor's organization.

6. In the event of a natural disaster or national emergency, Contractor will continue to fill all prescription requests, proactively obtaining any necessary overrides to facilitate this process, and provide members with expedited delivery to convenient locations.
7. Contractor will assure that 100% of mail order prescriptions will be imaged and entered when received at mail service (including Specialty prescriptions). Contractor must electronically track 100% of all mail order prescriptions (Including Specialty) throughout the filling process, on a timely basis, from the point of prescription is received until it is shipped to the member.
8. Within 24 hours, Contractor must contact prescribers and/or members via a telephone call or email for 100% of incomplete mail order prescriptions (including Specialty) that require additional information.
9. Contractor must provide both email and telephone voicemail capabilities to communicate to members their mail order has been received and the date the order has been shipped to members.
10. Contractor must have the capability to accept early refill orders and suspend or "queue" these orders in your system until the earliest refill date for processing.
11. Contractor must have the capability to accept major credit cards and store credit card number(s) by member account for future mail order prescriptions. You must have the capability to advise members 30 days in advance of the date their credit card number is going to expire.
12. If requested, Contractor must provide members with checks for monies owed to them instead of maintaining credits at your mail facility.
13. The State shall have the right to advise you in writing to change the floor limit for all members or just those with unpaid balances after 120 days of dispensing.
14. Contractor cannot require the State of Nebraska to mandate use of the mail pharmacies.
15. Contractor will disclose any limits on the number of days' supply that can be filled through the Contractor's mail order facilities, such as controlled substances.

AA. SPECIALTY PHARMACY

Contractor Requirements:

1. Contractor must provide 24 hour, 7 day a week patient education support and access to pharmacists and nurses with experience in designated therapies.
2. Contractor must provide specialty condition/disease specific management protocols and access to in-home nursing services where applicable.
3. Contractor must demonstrate ability to ensure patient adherence to drug therapy
4. Contractor must demonstrate adherence to drug therapy prescribing guidelines including required genetic testing, if applicable, prior to initiation of treatment.

BB. PHARMACY FEES

Contractor Requirements:

1. Contractor will guarantee your quoted fees until the assumed implementation date.
2. Contractor will ensure fees quoted are not contingent upon any of the following:
 - a. Minimum enrollment or utilization requirements.
 - b. Participation in any supplemental programs.
 - c. Direct communication with patient population.
3. Postage is included in ID card generation, duplicate cards, all mail order prescriptions, and any mailings.

4. Quoted fees include postage paid mail order envelopes for member prescription submission.
5. Multi-language communication phone line support be included in the base administrative fee.
6. Disabled (e.g., hearing-impaired) member calls will be facilitated through your member services area.
7. There will not be any additional charges if the plan of benefits is restructured or new classes of eligible members are added.

CC. AWP REIMBURSEMENT

Contractor Requirements:

1. Drugs with an "Insufficient Supply" will be included in the guarantees.
2. Member Cost Share at the point-of-sale (for retail and mail) is based on the lowest of the plan copay/coinsurance, usual and customary charges, negotiated discounted ingredient cost plus dispensing fee or retail cash price.
3. The State's current plan designs qualify for the proposed rebate guarantees.

DD. PERFORMANCE GUARANTEES

Please see Attachment E for the Performance Guarantees.

EE. CLINICAL MANAGEMENT PROGRAMS AND CAPABILITIES

Contractor Requirements:

The State requires that the Contractor administer the following programs. Any additional fees associated with these programs must be provided in your response to the Cost Proposal of this RFP.

Contract Requirements:

1. Contractor must offer the following clinical programs:
 - a. **Timely Refill Discounts** – Discount provided for members who refill a prescription within 30 days of date it is expected to run out
 - b. **Drug Utilization Review** – Monitor for drug interactions, therapeutic duplications and dosing concerns
 - c. **Narcotic Utilization Review** – Monitor for number of prescriptions / physicians
 - d. **Step Therapy** – Program for members to try a low-cost prescription first before a higher cost is covered
 - e. **Brand Charge Program** – Members pay the cost difference if a brand is filled when a generic alternative is available
 - f. **Prior Authorization** – Monitors and reviews prescribing physician, diagnosis before prescription is covered
 - g. **Supply Limits** – Largest quantity of medication covered based on FDA guidelines

FF. DIRECT PRIMARY CARE

Through the passage of Legislative Bill 1119, the Nebraska Legislature introduced the Direct Primary Care (DPC) Pilot Program Act, which allows for the establishment of the Direct Primary Care Pilot Program. The program, established within the Nebraska State Insurance Program, shall include at least two direct primary care health plans. These are plans, which include direct primary care services offered by a participating provider and health care coverage for medical specialists, hospitals, pharmacy and other medical coverage. Under the legislation, the non-direct primary health care coverage must include at least one high-deductible coverage option and one low deductible coverage option to provide major medical coverage to supplement the direct primary care services. The final bill was passed in the Nebraska Legislature and approved by the Governor of Nebraska on April 13, 2018. Please see the below link for further information:

<https://nebraskalegislature.gov/FloorDocs/105/PDF/Final/LB1119.pdf>

GG. TRANSPARENCY TOOLS

1. Contractor tool(s) must enable members to compare providers based on their experience, past performance and credentials.
2. Contractor tool(s) must enable members to easily view cost differences among different providers.
3. Contractor tool(s) must enable members to easily view cost differences among different treatment paths.
4. Contractor tool(s) must enable members to compare benefit structures for different health plans.

HH. IMPLEMENTATION AND COMMUNICATIONS

Contractor Requirements:

1. Implementation must be completed prior to the State's Annual Open Enrollment period in May 2020. The implementation plan(s) shall also define responsibilities assigned to the Contractor and responsibilities assigned to the State.
2. Contractor must provide a dedicated implementation manager whose sole account is the State, who in coordination with the dedicated account manager and account management team, will effectively manage the implementation of this program. The dedicated implementation manager must continue to support the State a minimum of 60 days after the Go Live date of July 1, 2020, should the State desire. Such support includes, but is not limited to: weekly calls with the State and the designated Account Management team; maintenance of issue tracking logs; and issue resolution. This support must be provided as part of the base administrative fees with no additional cost to the State.
3. The State requires the Contractor be available and participate in the State's Open Enrollment communications campaign.
4. Contractor shall provide member's access to written or electronic EOB statements at no cost to the State.
5. When customized printing is required, Contractor must present a proof to the State for approval in a timely manner.
6. Contractor shall incur all costs for printing and distribution of all communications, including but not limited to:
 - a. Identification Cards (ID)
 - b. Booklets
 - c. Certificates
 - d. Summary Plan Descriptions (SPDs)
7. Contractor shall incur all costs for additional open enrollment materials, including but not limited to:
 - a. Additional custom printing
 - b. Web hosting
8. No external communications material that mentions the State's benefit plans may be circulated without written approval from the State.
9. The State reserves the right to review, edit, or customize any communication from the Contractor to its membership.
10. Contractor must produce ID cards and/or temporary proof of benefit letters in "real time". Identification cards will be subject to final approval by the State.
11. Contractor must provide a Pre-Enrollment information line available during Open Enrollment as well as an Information line available throughout the year.

12. Contractor must agree to waive any charges to the State or the State's vendors such as a set-up fee, a programming fee or a monthly fee, for establishing a connection with a third party vendor for real-time, bidirectional data integration, including non-standard data integration formats.

II. WELLNESS PROGRAM(S)(OPTIONAL SERVICE)

The State is interested in learning about the bidder's ability to provide Wellness Programs to employees enrolled in one of the State's health plans. If the State were to elect to engage in one or more of the Bidder's wellness programs, the Contractor would be required to provide seamless integration for employees and a system to track and report the progress of individuals through their systems and websites at no additional cost to the State.

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VI. PROPOSAL INSTRUCTIONS

This section documents the requirements that should be met by bidders in preparing the Technical (Attachment B: Bidder Questionnaire) and Cost Proposal. Failure to respond to a specific requirement may be the basis for elimination from consideration during the State's comparative evaluation.

Proposals are due by the date and time shown in the Schedule of Events. Content requirements for the Technical and Cost Proposal should be presented separately.

A. PROPOSAL SUBMISSION

1. REQUEST FOR PROPOSAL FORM

By signing the "RFP for Contractual Services" form, the bidder guarantees compliance with the provisions stated in this RFP, agrees to the Terms and Conditions stated in this RFP unless otherwise agreed to, and certifies bidder maintains a drug free work place environment.

The RFP for Contractual Services form should be signed using an indelible method (not electronically) and returned per the schedule of events in order to be considered for an award.

- 2.** Bidders must utilize the Attachment B: Bidder Questionnaire to provide responses to requirements.
- 3.** Further, Sections II through VII must be completed and returned with the proposal response.

VII. COST PROPOSAL REQUIREMENTS

This section describes the requirements to be addressed by bidders in preparing the State's Cost Sheet. The bidder should use the State's Cost Sheet. The bidder should submit the State's Cost Sheet in accordance with Section I Submission of Proposal.

THE STATE'S COST SHEET AND ANY OTHER COST DOCUMENT SUBMITTED WITH THE PROPOSAL SHALL NOT BE CONSIDERED CONFIDENTIAL OR PROPRIETARY AND IS CONSIDERED A PUBLIC RECORD IN THE STATE OF NEBRASKA AND WILL BE POSTED TO A PUBLIC WEBSITE.

A. COST SHEET

This summary shall present the total fixed price to perform all of the requirements of the RFP. The bidder should include details in the State's Cost Sheet supporting any and all costs.

The State reserves the right to review all aspects of cost for reasonableness and to request clarification of any proposal where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.

B. PRICES

Prices quoted shall be net, including transportation and delivery charges fully prepaid by the bidder, F.O.B. destination named in the RFP. No additional charges will be allowed for packing, packages, or partial delivery costs. When an arithmetic error has been made in the extended total, the unit price will govern.

Form A
Bidder Contact Sheet
Request for Proposal Number (####)Z1

Form A should be completed and submitted with each response to this RFP. This is intended to provide the State with information on the bidder's name and address, and the specific person(s) who are responsible for preparation of the bidder's response.

Preparation of Response Contact Information	
Bidder Name:	
Bidder Address:	
Contact Person & Title:	
E-mail Address:	
Telephone Number (Office):	
Telephone Number (Cellular):	
Fax Number:	

Each bidder should also designate a specific contact person who will be responsible for responding to the State if any clarifications of the bidder's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Bidder Name:	
Bidder Address:	
Contact Person & Title:	
E-mail Address:	
Telephone Number (Office):	
Telephone Number (Cellular):	
Fax Number:	

REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

By signing this Request for Proposal for Contractual Services form, the bidder guarantees compliance with the procedures stated in this Request for Proposal, and agrees to the terms and conditions unless otherwise indicated in writing and certifies that bidder maintains a drug free work place.

Per Nebraska's Transparency in Government Procurement Act, Neb. Rev Stat § 73-603 DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska Contractors. This information is for statistical purposes only and will not be considered for contract award purposes.

____ NEBRASKA CONTRACTOR AFFIDAVIT: Bidder hereby attests that bidder is a Nebraska Contractor. "Nebraska Contractor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this RFP.

____ I hereby certify that I am a Resident disabled veteran or business located in a designated enterprise zone in accordance with Neb. Rev. Stat. § 73-107 and wish to have preference, if applicable, considered in the award of this contract.

____ I hereby certify that I am a blind person licensed by the Commission for the Blind & Visually Impaired in accordance with Neb. Rev. Stat. §71-8611 and wish to have preference considered in the award of this contract.

FORM MUST BE SIGNED USING AN INDELIBLE METHOD (NOT ELECTRONICALLY)

FIRM:	
COMPLETE ADDRESS:	
TELEPHONE NUMBER:	
FAX NUMBER:	
DATE:	
SIGNATURE:	
TYPED NAME & TITLE OF SIGNER:	